

**CONSUMER PROTECTION & GOVERNMENT OPERATIONS COMMITTEE  
Of the  
Suffolk County Legislature**

**Minutes**

A regular meeting of the Consumer Protection & Government Operations Committee was held in the Rose Y. Caracappa Auditorium at the William Rogers Legislative Building, Veterans Memorial Highway, Smithtown, New York on **May 22, 2001**, at 10:00 a.m.

**MEMBERS PRESENT:**

Legislator Cameron Alden, Chairman  
Legislator Fred Towle, Vice Chair  
Legislator Michael D'Andre  
Legislator Andrew Crecca

**EXCUSED ABSENCE:**

Legislator William Lindsay

**ALSO IN ATTENDANCE:**

Paul Sabatino, Legislative Counsel  
Warren Greene, Aide to Legislator Cameron Alden  
Legislator Ginny Fields  
Charles Gardner, Director, Consumer Affairs  
Bruce Dragonette, Assistant Director, Consumer Affairs  
Terrance Pearsall, Aide to Legislator William Lindsay  
Bonnie Godsman, Intergovernmental Relations, County Executive's Office  
Meghan O'Reilly, Liaison to Presiding Officer Paul Tonna  
Michael Hollander, President and CEO of the L.I. Convention & Visitor's Bureau  
James, Dobkowski, Press Secretary to Presiding Officer Paul Tonna  
Virginia Acker, Aide to Presiding Officer Paul Tonna  
Legislator Angie Carpenter  
Dr. Pearl Kramer, Long Island Association of Tourism  
Frank D'Andrea  
Barbara Caligiure  
Gloria Rocchio  
William Mullaney, Jr.  
Kimberly Lockerbie  
Robert Sighinolfi  
Victoria Siracusa, Budget Review Office  
Fred Pollert, Budget Review Office  
Tom Cunningham, Budget Review Office  
All Interested Parties

**Minutes taken and transcribed by Irene Kulesa, Legislative Secretary**  
***(The meeting came to order at 10:10 a.m.)***

**CHAIRMAN ALDEN:**

We are going to start the committee meeting and we're going to do that. Let's start with the Pledge and I would ask Legislator Ginny Fields to lead us in the Pledge.

SALUTATION

**CHAIRMAN ALDEN:**

Okay, at the outset, I have to put on the record that Bill Lindsay has an excused absence and he won't be joining us today. All right. Normally we start off with Charlie Gardner. Is he here today? Charlie, hi. From our Consumer Affairs.

**MR. GARDNER:**

Yes, good morning Mr. Chairman.

**CHAIRMAN ALDEN:**

Hi. Charlie, can you give us an update on -- well, home-heating oil is pretty much out of the season.

**MR. GARDNER:**

Yes.

**CHAIRMAN ALDEN:**

Gasoline is real important right now.

**MR. GARDNER:**

Yes, unfortunately we're seeing the highest prices that we have ever seen in the County. It has -- it's spiked, the price spiked more than twenty cents a gallon in just about five weeks, which was also the biggest spike we've ever had. The average for self-serve regular in the County right now is about a dollar eighty-five, a dollar eighty-six. The last two weeks has seen some activity in the office relating to gasoline. There were fifteen violations issued to various gasoline stations that were advertising these specials, such as Mega Mondays, Tiger Tuesdays, etc., where the price discounts were not being offered as represented. So the office did some inspections at those locations over a three-day period. All of the situations that had violations were corrected. Penalties were assessed, approximately twenty five hundred dollars and we hope that the operators understand the law now and will more clearly define their marketing and ad schemes.

Also a station in Wading River was shut down by the office for this. When I say shut down, we prohibited the sale of mid-grade eighty-nine and premium grade ninety three octane, because of repeated failures of the tests on those octane's. The ninety three octane was a lot closer to eighty nine or ninety as opposed to ninety three and the plus was coming in at just about regular levels, so they have been shut down. They remain shut down. It's been more than a week now. They will not be reopened until further samples are taken and they pass. Also they are facing a hearing tomorrow and they're facing some pretty stiff penalties.

Also over the weekend, the Suffolk County Fifth Precinct Street Crimes Unit, working with information supplied by our office made an arrest at a Getty Station over in Oakdale, again, for a pattern of overcharging the consumers. We were very, very satisfied and pleased with the response that we got from the Police Department when we gave them the information. They acted on it very quickly, made several undercover test purchases in there. Their purchase is along with the purchase that had been made by our inspectors and the complaints you see by Suffolk County Consumers led to the action over the weekend. So it's kind of unfortunately, it's one follows the other. Our experience as the prices go up as sharply as they have in the recent past, these types of violations and overcharges that also follow along. So we'll just keep up that level of inspections and you know monitor as appropriate.

**CHAIRMAN ALDEN:**

And you continue with the a -- for the bootleg gas? You continue to monitor for that?

**MR. GARDNER:**

Yes. We work with the Task Force and their sales tax people, yes.

**CHAIRMAN ALDEN:**

Good. Charlie, I'm going to ask you to just do one other thing. We have a proposed resolution by Legislator Fields today. Could you just make some comments on that?

**MR. GARDNER:**

That's I.R. 1443?

**CHAIRMAN ALDEN:**

I believe it is.

**MR. GARDNER:**

Well our office, the staff, to tell you the truth, if there are, as the resolution states a number of State and Federal Programs providing grant to municipalities to fund Consumer Protection Programs, we are not aware of that; this pool of money. But if such programs are in existence, we would certainly be interested in exploring the opportunities. As long as it costs for the responder, it doesn't come out of my budget and as long as I don't have to hire anybody and it is only on a contingent basis, we would welcome any assistance that might supplement our efforts at Consumer Protection.

**CHAIRMAN ALDEN:**

Now just for the members of the committee and the other Legislators that are here. Charlie has to get going to another meeting, so if we have any questions of him, I'll entertain them right now. And Ginny, I'll recognize Legislator Fields.

**LEGISLATOR FIELDS:**

Thank you. I just wanted to ask you, I've taken a tour of your department and talked with you for a number of hours. Just for the record, do you have the manpower to look and research all of the grants that are available on the Internet and so forth?

**MR. GARDNER:**

No, we don't. Years ago, we did have a position. I believe there are still some Civil Service positions in the County but none in our office.

**LEGISLATOR FIELDS:**

Well, I know in the Parks Department, there was a position that was approved but it has not been filled. So okay, thank you.

**MR. GARDNER:**

You're welcome.

**CHAIRMAN ALDEN:**

Any other questions or comments? Okay, thanks a lot Charlie.

**MR. GARDNER:**

You're welcome, Mr. Chairman.

**CHAIRMAN ALDEN:**

Okay, we have a number of cards that were put in. So I'm going to try to go through these pretty quickly and then get to the meat of the reason for this meeting. Doctor Pearl Kamer? Is that correct?

**DR. KAMER:**

Yes.

**CHAIRMAN ALDEN:**

Hi and if -- just when you start your comments, if you just identify yourself and for the record, thanks.

**DR. KAMER:**

Good morning. I'm Pearl Kamer. I'm Chief Economist of the Long Island Association and I come before you today to underscore the importance of the tourism industry on Long Island. The tourism related industries as defined by the U. S. Travel Data Center include those types of businesses that serve the travelling public, either principally or with great frequency. They receive a large portion of travelers expenditures and they include, as you know, sightseeing boats and ferries, scheduled airlines, airports and terminals, tour operators, travel agencies, hotels, motels, amusement and recreational services, commercial sports, among others.

As of the third quarter of last year, which is last summer basically, tourism related businesses on Long Island employed almost a hundred and twenty two thousand persons. They generated payrolls of more than two point five billion dollars and many of these jobs

are located in Suffolk County. I think it's important to recognize that each tourism related job supports point six three additional jobs within the economy and each dollar of wages generated by a tourism related industry creates almost ninety two cents in additional earnings throughout the economy. So if you put this in context, Long Island's a hundred and twenty two thousand tourism related jobs, actually support a total of two hundred thousand Long Island jobs. And the two point five four billion in direct tourism wages supports another two point three four billion in secondary earnings throughout the economy. This makes Long Island's tourism industry a four point eight eight billion industry, almost four point nine billion and it's one of Long Island's largest industry sectors.

The outlook for the tourism related industry remains bright, even in the face of a slowing national economy and I want to underscore the fact that the Long Island economy does not show signs of slowing. We're still generating jobs. We still have healthy real estate markets and we still have healthy consumer spending. But if consumers generally, nationally and regionally, become more cautious in their spending, they may well opt for a Long Island vacation, rather than a more expensive cruise or foreign trip. So that Long Island's tourism industry could actually benefit over the long run by the slowing national economy. Long Island is better able to compete for these potential tourist dollars today, because it has developed an array of tourist attractions and facilities spanning all seasons. We are no longer a one season tourist industry and catering to visitors of all ages.

The Long Island Convention and Visitor's Bureau is actively promoting this growing menu of attractions. For example, through the New York State, I Love New York Campaign, the bureau is attempting to attract visitors from various European Countries, specifically to Long Island's Vineyards. It's also working to create a national heritage area encompassing all of Long Island, so that visitors will be able to choose from one or more heritage trails of either historical or cultural significance. The bureau's Web Site, which has been extensively developed, is now getting up to seven hundred and fifty thousand hits a month.

**CHAIRMAN ALDEN:**

Doctor Kamer, I should have said it in the beginning, because it says it on the cards but -- and I made an assumption. Your comments have to be limited at three minutes and --

**DR. KAMER:**

I've got one more sentence, how is that?

**CHAIRMAN ALDEN:**

Okay, good. Thank you.

**DR. KAMER:**

Okay. The effective promotion of Long Island's growing tourism industry is essential if tourism is to remain an important growth engine for the Long Island economy and thank you for having me this morning.

**CHAIRMAN ALDEN:**

Thank you very much. I'm sorry I interrupted. Any questions? Okay, thank you very much. Frank D'Andrea.

**MR. D'ANDREA:**

I'm going to be presenting Mr. Hollander from the LICVB.

**CHAIRMAN ALDEN:**

Okay, Mike I thought you wanted to go last but if you want to come up now that's fine. Okay, so basically your presentation should be about three minutes and you know, I'll grant you more time if --

**MR. HOLLANDER:**

Okay, I brought some additional people, Mr. Chairman, so that they could add to some of the information because they have some first hand knowledge of some of the stuff.

**CHAIRMAN ALDEN:**

Okay that's fine. You know we're going to go with the rules and regulations of the Legislature, so we're going to do a three minute and then if you do need more time, you can just tell me and we'll do an extension.

**MR. HOLLANDER:**

Fine, okay. Thank you for giving us the opportunity -- oh, Michael Hollander and I'm the President of the Long Island Convention and Visitors Bureau. I want to thank you for giving us the opportunity to address the issues that were raised in the report by the Budget Review Office. We'd like to point out that the Convention and Visitors Bureau has been around for about 21 years now. We're run by a Board of Directors. We have 39 independently selected members of the board, 33 are elected and 6 of the representatives are de facto members. So for example, there's a member of the Suffolk County Economic, Department of Economic Development, Nassau Economic Development, a Long Island Restaurant Association, the State Economic Board and the State Department of Tourism, as well as the Long Island Restaurant Association. So we have a pretty diverse board. We are a private membership organization. We started a long time ago, over 21 years ago, being in the business of promoting tourism on Long Island and the original emphasis as it is today is to put more occupancy into the hotels and to bring more visitors to Long Island thus helping the tourism industry and that's what we strive to go for.

I did receive a copy of the report by the BRO Office and for the most part, we agree with most of the contents that's in it. But there is some issues in the report that we just think we need to highlight a little bit more that's in there. And from reading in the newspapers and hearing different things, there are probably four main issues that we see that we think we need to talk about. I think the first thing, just to clear up, was the comment that I saw in the newspaper about the car. And I think we just want to make it clear that the car that I drive or that my wife drives are owned by us. It's owned by our family. They are not owned by the bureau. They're not paid with taxpayer money. To be perfectly accurate about the information, I receive a car allowance and the part of the car allowance that gets paid by Suffolk County is two hundred and fifty dollars and that's the part of the allowance that gets charged to Suffolk County. There are no other expenses for the car that are charged to Suffolk County. I pay even the oil. I pay the gas. I pay the lease. I pay the maintenance. Everything that has to do with it is paid by me per month.

The second issue that I want to talk a little bit about is the method by which we promote Suffolk County. It's been the belief of the bureau, as well as Suffolk County, because we're constantly in conversations with them. That it's the benefits of the County that we're trying to sell and that's why for the past 20 years we've branded it Long Island. That branding comes about, because of the fact that the State provides matching funds to a lot of our programs and in doing that, they promote us as a region. When we prepare our budgets if, for example, the bureau was to receive a million dollars and that's what we estimate it to be, hopefully, this year and Nassau County was to give us seven hundred thousand dollars, we would match seven hundred and seven hundred thousand into our general marketing program and we would allocate three hundred thousand dollars specifically in an area we call Suffolk leisure. And in that area, what we try to do is specifically promote the things that have to do with Suffolk County. One of our biggest expenses in that area is a hundred thousand dollars for a TV ad we promote on Channel 2, 4 and 7 on the virtues of coming to Long Island and it's been highly successful. We see a tremendous amount of phoning and e-mail response after we show that ad and it's gone over very, very well.

Another thing that we do with that money in the Suffolk Leisure Account is we have a co-op, a regional co-op program and this is where we take money and we reach out to regional groups, such as the North Fork Promotion Committee or the Hampton's Visitor Council or the Montauk Chamber of Commerce in Central Suffolk or the North Shore Promotional Alliance. And we reach out with them and we come up with co-op programs that basically double the amount of money in Suffolk, the Suffolk Leisure Account to give us to promote those areas. And they've also been highly successful. These are all measurable. Everything that we do is measurable and it comes out in the kinds of forecast that we do, the phone calls we receive that we track.



I think, I also want to point out that while there's a lot of things been said about the bureau in the print and in various releases, it also says on page 7 of the report, it appears that the LICVB is well organized and managed with a clear vision of its overall goals and objectives. These goals and objectives are largely consistent with contract requirements -- comma but are not necessarily the most beneficial to Suffolk County. And I discussed this with the Budget Review Office and in talking with them about it, it wasn't the content of the ads they had a problem with. It wasn't the content of the TV commercial they had with and it was only this one area of Suffolk Leisure, in terms of the fact that they felt that Suffolk County should be more into the headline, if you will. And what I told them and what I will tell you is if that what your wish is, we're willing to do it. So it's not a matter of fighting about whether we should do it or not. If that's the end result of what you'd like to see, then we could, for example, say how many of 22 wineries located in Suffolk County have you barreled around? We just think that before you make the decision to tell us that's what you'd like us to do, we ought to explain to you why we think putting the word Suffolk County in that ad that might appear in Pennsylvania may not be the right way to do it. But if at the end that's what you'd like that's not a problem for us. And that all along the way, we've had input from Suffolk County on the things that we do. Timewise, do you want me to keep going on the things that we have to talk about?

**CHAIRMAN ALDEN:**

Actually if that's pretty much, you know the list of your presentation, then we're going to do some question and answer.

**MR. HOLLANDER:**

I didn't talk about the salary part and our Chairman of the Board, Barbara Caligure is here and she could speak to that. If you'd like now or whatever you'd like.

**CHAIRMAN ALDEN:**

Speak to what point?

**MR. HOLLANDER:**

Well, in here it talks about my salary package and I thought it might be wrong for me to talk about it. So Barbara, who is the Chairman of the Board of the Convention and Business Bureau, I'm going to address that point from the report.

**CHAIRMAN ALDEN:**

If you want to take a minute or two to do that, that's fine. But then, I'm sure that there's going to be some questions and answers that will go into that so --

**MS. CALIGIURE:**

Good morning. My name is Barbara Caligiure and I am the Chairperson of the Long Island Convention and Visitor's Bureau and Sports Commission. Having heard some of the comments and having read the report in question, I would like to share with you the position of the Board of Directors regarding the President's compensation package.

In 1997, we began a search for a new president. A job description was formulated and approved by the board. It is most important to note that the bureau is a private membership organization working in conjunction with the hotel industry on Long Island on various issues. Research was done by the Executive Committee as to what the appropriate compensation package might be. A search committee was put in place and they too concluded research into what the correct compensation package would be to hire someone meeting the job description as approved by the board. At the end of the day, the search committee was left with two choices. One of which had a salary requirement, which would end up being fourteen thousand, five hundred dollars more than the other; however, the higher salary was someone we knew. He was from Long Island, had successfully managed the Marriott, Hilton and Danford Hotels and had demonstrated a successful track record. This person also showed a knack for being out in the Long Island Community. The person we chose was Michael Hollander. We picked him because he filled the needs of the job description as approved by the board. He was familiar with the needs of the job, having owned and

managed hotels here on Long Island and he understood the relationships with both Suffolk and Nassau County, as well as the hotel community.

In early 1998, the board hired an outside consultant to update and complete a salary structure for all of the Long Island Convention and Visitor's Bureau positions. All of our employees are paid within 5 percent of their mid-point, which according to our consultants represents the position for people who are doing the job and have the average experience for their position. The field of Convention and Visitor's Bureau is a highly competitive industry. They tend to hire the most experienced managers in their field and typically, they come from sales and marketing backgrounds. After considerable conversation and study of the Compensation Committee, the Board of Directors voted unanimously that the package offered to the President was fair and equitable, given his experience and the positive impact he could have on the tourism industry. Having completed his review just a couple of months ago, it was clear that Michael is doing an exceptional job for Long Island and the tourism industry he represents. Thank you.

**CHAIRMAN ALDEN:**

Thank you. So basically what I'm --

**MR. HOLLANDER:**

Gloria, do you want to add something?

**MS. ROCCHIO:**

Well, I can give a little background about the Long Island Convention and Visitors Bureau to you. I'm Gloria Rocchio. I'm Treasurer of the Bureau. But prior to the Long Island Convention and Visitor's Bureau, there was a Suffolk County Convention and Visitor's Bureau of which I was the President and there was a Nassau County Convention and Visitor's Bureau. Both organizations really were started from a grass roots effort from all the business people and the government officials. We had Economic Development Commissioner's from both Nassau and Suffolk on both of those bureaus, this was 1978. And then it was decided amongst all of those business people and the government people that it would be much stronger to promote Long Island rather than each County individually. So because of that, they created the Long Island Convention and Visitor's Bureau. Those people are still around. People like Larry Austin and Bill Hopkins from the Roosevelt Raceway, retired, but still around here and they would be very concerned if we would step backwards and start to promote each individual County as it was before 1978. This concerted effort of promoting Long Island is really moving forward and very positive right now and I don't think you want to turn back the clock. Thank you.

**CHAIRMAN ALDEN:**

Thank you for your comments.

**LEGISLATOR CRECCA:**

I have a question, Mr. Chairman.

**CHAIRMAN ALDEN:**

Well, actually what we're going to do is, I have a few comments and then I have a few questions and then I'm going to open it up to members of the other panel and also any Legislators that are here. So I think that we're at that point right now, I guess. Let me give you a little background to tell you where I'm coming from. A couple years ago and it's about a year and a half ago now, I voted against the salary increase for Suffolk County Legislators and for Commissioners and the County Executive and everybody else. I felt so strongly about it that I didn't take that salary increase either and I haven't taken it for the past two years. I also do not have a cell phone. I do not have a County car. I do not have a big staff. I have the smallest staff actually, of any Legislator in the County. I think that we lead by example and that's very important to me and I think it's very important to anybody that we do business with in the County. So having said that, I'm going to -- actually, I'm going to go into a few questions, if I could?

Now, there's been some mention about an overpayment and I'd like to -- if you could just tell me when you became aware of the overpayment and how you became aware of the

overpayment?

**MR. HOLLANDER:**

I'm going to invite up Kevin Zanfradino who is the Comptroller and that way you'd have some first hand --

**CHAIRMAN ALDEN:**

Actually, I'd like you to answer the question because you've made some comments and I'd like you to answer the question.

**MR. HOLLANDER:**

Right but I think that, Mr. Chairman that in referring to the comments that I see them right from the newspaper, it will be more accurate for you if I have the Comptroller give you the actual --

**CHAIRMAN ALDEN:**

Actually I asked you the question, when you became aware of it? So I'd like you to answer that question for me.

**LEGISLATOR TOWLE:**

Mr. Chairman? Can I just interrupt for a second? Mr. Chairman, can I ask a question? Is this some relevance to what we're talking about? Because this is obviously obstructing my view. First of all, whatever is on there, I can't see on the other side of the board.

**CHAIRMAN ALDEN:**

Yes, I'd like that moved over a little bit.

**LEGISLATOR TOWLE:**

If it's something you want us to read, then let's flip it around so we can all see it.

**CHAIRMAN ALDEN:**

Yes and I'll actually read it to you in a second. Warren just let everybody see what's on the front of it too, because we're going to be referring to it for a few minutes.

**LEGISLATOR TOWLE:**

Obviously, first to the overpayments. I'd like to hear a little bit about what is this question of the overpayment? Obviously, I've read the articles. I've read Budget Review's report. I'd like to hear somebody talk and explain that before you guys get a little bit about --

**CHAIRMAN ALDEN:**

Fred, could you just explain a little bit about what you're aware of and you made the Budget Review -- this report. So let's have a little background on the overpayment.

**MR. POLERT:**

The Budget Review Office prepared a report at the Legislator's request, which was issued on April 5th. Part of that report dealt with an overpayment to the Tourism Bureau. Specifically, what we had done is we had gone back through County records, going back to 1993. We compared what the bureau had received in comparison to what the County had received from the hotel, motel tax and we came to the conclusion that the bureau had been overpaid cumulatively in the range between three to six hundred and fifty thousand dollars. Part of the recommendation of the Budget Review Office report, because this was not a financial audit, more of an operation audit that the County Comptroller's Office conduct a financial audit to determine the exact amount of overpayment.

**CHAIRMAN ALDEN:**

I believe on May 16th, I called for the Comptroller to -- in writing to conduct the full audit of it. With that background, I'd like to just pursue a little bit of this. I became upset when I



saw that. And in that same article, it was in Newsday, I guess, there was an interview with you possibly, Mike that it came out that part of that salary went to a twelve thousand dollar lease on a Jaguar. There was, you know high salaries. That type of perception. So that's what really led to me calling this type of a meeting. Now, on the overpayments specifically, you claimed that you're aware of the overpayment. Is that correct?

**MR. HOLLANDER:**

Well, I can't answer it that way, because now we're getting in this kind venue Mr. Chairman; we're getting like into technicalities. So would you like me to -- I can explain to you how I came about knowing about it.

**CHAIRMAN ALDEN:**

Go ahead.

**MR. HOLLANDER:**

Okay and again, I get my information from Kevin who is our Comptroller and then I end up in conversations with people from the County. But in approximately 1998, at an Executive Committee Meeting, the representative from Suffolk County Economic Development told us that they found a hundred and ninety five thousand dollars.

**LEGISLATOR TOWLE:**

Who was that Mike? Mr. Chairman, I hate to do this again, but as opposed to he said or she said, let's have specifics? If we're going to get into the minutia, let's get into the minutia.

**MR. HOLLANDER:**

At that time it was Alice Amhrein came to the Executive Committee and told us that she had found a hundred and ninety eight thousand dollars in additional monies that were due the bureau. Kevin, our Comptroller, began questioning you know why -- where did the money come from? And we went into several conversations and eventually what we were told was, is that there was money from previous years, be it '97, '96 or '95 that hadn't been accounted for and that was due the bureau. And we still weren't sure about where the extra money came from and we set up a supplemental budget for it. But she said it was ours. We were told it was ours and we received the money and spent it on Suffolk County. We received the money in 1999, late in -- if I remember, in fact, I've got the dates here. After the first, after the first and then after the second quarter and that was the first time that we received the check and that check was in the amount of one forty five, one ninety four and then fifty thousand. And then in 1999, we were again told that they had found two hundred and thirty eight thousand dollars in additional money that they believed was ours -- in 1999 and we were told this again by Economic Development. I believe that this time we were told about the two hundred and thirty -- by either Ed Wankel or Alice Amhrein. I'm not -- I can't remember exactly who told it to us. But because of the overage of a hundred and ninety five thousand the first time, we had gotten a hold of the Treasurer's Office and asked them to give us reports, so that we could sort of keep better track of the room tax. Because one of the things that we've always wanted to know along the way was how did we know whether all the hotels, all the motels and all the bed and breakfasts were paying the taxes. And this was always the question of how do we do this, how do we track it and how do we keep an eye on what's going on.

So when we got the two hundred and thirty eight, Kevin again, brought up the thing of, well where did the two thirty eight come from? If the one ninety-five had come from previous years and the -- '97, '96, how can they all of a sudden find two hundred and thirty eight thousand for '99 and '98. It just sort of didn't make a lot of sense. And again, we were told this money was available and that we should be spending it and we prepared a supplemental budget for it. As we went into the year and we continued these conversations with the County Executive's Ken Weiss's Office and Alice Amhrein, we went into a conversation of, are you sure we're supposed to get the money? And again, Kevin had more of these

conversations than I did. But I did have some of the conversations and what we were told was no, you're supposed to have the money. I said well, you're sure of this? Well, we're going to do an audit and we can't give the money until we complete the audit. And we went through this, through this, through this and they went through their audit, which they said they were going to complete in June. And somewhere after that, they came to us and said well, we completed the audit, you're due the money. And we said, well, look if you're telling us it's the money, then fine, you know we'll do it. And they said, well we want to see a program. I said we put together the program and we received the two hundred and thirty eight thousand dollars.

Now the year kept going on and we were in the midst of doing the program, because it was already -- you can't -- we're always doing the program ahead of what we get from you. The majority of the money that we receive from the County comes in November and it comes from the June, July and August tax money. But we're already advertising for June, July and August, in March, April and May. So we're always fronting the money for the County, in order to do the program that we need and then we get paid on the flip side of it.

In January, we were expecting a check for the quarter ending December and Kevin got a call from the Treasurer's Office that they didn't have enough money to pay us and that would be now the first inkling of us going -- okay, well why don't you have enough money? Well, we're not sure and then I went into a conversation with Ken Weiss talking about -- look what's the story here? He says I don't know. We're looking into it. We're trying to figure it out. I have people --

**CHAIRMAN ALDEN:**

What year is that?

**MR. HOLLANDER:**

Excuse me?

**CHAIRMAN ALDEN:**

What year? January of what year?

**MR. HOLLANDER:**

This year 2001. So we're looking at it trying to -- he's looking at it trying to figure out what it was and you know saying, well you know it looks like we may have overpaid you and we said, okay. You know we talked about that before but you guys said you know that the money was ours and so they were short on giving us the amount of money that they had available for the payment that was ending in December. And so I basically said to them, well you're going to be short a hundred and thirty thousand dollars, you know like hold on to it and don't give it to us until you figure out what's going on. On about April 25th, or 27th, somewhere in there, we kept pushing to get an answer as to what the story was and they finally called us to a meeting on that date where they told us that it appeared that they overpaid us and they gave us a number that they felt at that point that was due them. And that would be the story of --

**CHAIRMAN ALDEN:**

One thing I find very troubling is that you made a statement that you knew and this is through of some media, I believe, it was in Newsday. But you knew about the overpayment back in December of 2000 and yet you still allowed Suffolk County to make payments to you. You knew that it was an overpayment and yet you still allowed them to make payments and did take the money and spent that money. Is that a fair estimate of it or a statement as far as this statement that you made?

**MR. HOLLANDER:**

Mr. Chairman, with all due respect, that's not what I told the newspaper and that wouldn't be fair. What would be fair to say is that we continually told the County that we didn't understand where the money was coming from and it didn't make sense to us based on the information we had as to why there was additional monies. They came to us and said we did the audit, you're entitled to the money. Now you need to understand that there were

conversations that went on previous to this that were like, well how do you know all the money was in the right fund? Was it in the right account?

**CHAIRMAN ALDEN:**

When were you asked to make a repayment?

**MR. HOLLANDER:**

When was I asked to make a repayment?

**CHAIRMAN ALDEN:**

Right. When were you told specifically that there was an overpayment made to you and that --?

**MR. HOLLANDER:**

April, somewhere between April 25th and 27th.

**CHAIRMAN ALDEN:**

Of what year?

**MR. HOLLANDER:**

2001.

**CHAIRMAN ALDEN:**

By who?

**MR. HOLLANDER:**

By Ken Weiss and people from the Budget Office.

**LEGISLATOR CRECCA:**

Mr. I don't mean to interrupt but I just had my Aide call Ken Weiss and ask him to come down here. Because it's apparent -- I did that just now when it was in your testimony that Mr. Weiss was involved in these and I'd like to get his testimony here too today. So I just -- I didn't mean to interrupt you but I wanted to make you aware of that.

**CHAIRMAN ALDEN:**

That's good.

**LEGISLATOR CRECCA:**

And I didn't think you'd have any objection.

**CHAIRMAN ALDEN:**

No, no objection. Thank you.

**LEGISLATOR D'ANDRE:**

I also have a comment, Mr. Chairman.

**CHAIRMAN ALDEN:**

Well actually Mike, we're going to get to that in just a minute. I'm going to open it up to everybody on the board.

**LEGISLATOR TOWLE:**

What was the number of the overpayment, if we could just get that? What were they? What was the number they asked back from you? Because obviously, we heard three hundred thousand to six hundred thousand and change from Budget Review, so that's a pretty wide berth there, I guess.

**MR. HOLLANDER:**

Yes. At the time they gave me the report, the overage was approximately a hundred and sixty thousand dollars.

**CHAIRMAN ALDEN:**

I'd actually -- I've called for an audit and we should have that and we should have some solid numbers and actually, the audit will go into such things as, what was done with the money and you said you prepared a supplemental budget and things of that nature. And as far as approval from Suffolk County, I find it very, very troubling though that again, a statement was made that you knew that money was being overpaid. You accepted the money. You spent the money. Now, is there a provision in the law for us recovering that overpayment? That you're aware of?

**MR. HOLLANDER:**

First of all, I don't know if there is. But it would be -- to me; it would be a non-issue because of the relationship that we have with you is that if we owe you money, we would give it back to you. So whether there's a provision or not --

**CHAIRMAN ALDEN:**

And how are you going to --

**MR. HOLLANDER:**

Ken Weiss that --

**CHAIRMAN ALDEN:**

What revenue are you going to use to give us back the money? That's a good question.

**MR. HOLLANDER:**

We would use our revenue. At this point --

**CHAIRMAN ALDEN:**

Revenue from where?

**MR. HOLLANDER:**

Well, from the revenue we receive.

**CHAIRMAN ALDEN:**

No. In other words, you're going to pay us back with our money? We're the ones that give you over a million dollars a year.

**MR. HOLLANDER:**

Well, you gave us too much.

**CHAIRMAN ALDEN:**

Right.

**MR. HOLLANDER:**

So if you gave us too much and we agree to that, then we should give you back the money that you gave us and in fact, you've already taken one thirty and a hundred and forty one.

**CHAIRMAN ALDEN:**

How would you propose to pay us back that money? By going out -- I know that you made one proposal, as far as you are going to borrow the money to pay us back. So that would be -- we would be funding repayment of our own money through principal and interest. The only thing is it would cost us more and we would get a diminished service.

**MR. HOLLANDER:**

Well, no. One, we don't have to borrow the money. That's an option that we have.

**CHAIRMAN ALDEN:**

Where would the cash actually come from?

**LEGISLATOR CRECCA:**

Can I just -- would you suffer an interruption, Mr. Chairman?

**CHAIRMAN ALDEN:**

No, actually no. I'm going to pursue my line of questioning. You can jump in afterwards and --

**MR. HOLLANDER:**

We would pay you out of our own revenues.

**CHAIRMAN ALDEN:**

Which would be our revenue.

**MR. HOLLANDER:**

Well, if you gave us too much money, then yes, it might be from yours but it might also be from membership money.

**CHAIRMAN ALDEN:**

So in essence, what would happen is, if you're going to repay us from the money that we give you now, you're not going to be able to live up to the contract and spend the full amount. Is that correct?

**MR. HOLLANDER:**

No, we would be able to spend the whole amount.

**CHAIRMAN ALDEN:**

How? Where are you going to make up that difference, that hundred and some thousand dollars or three hundred or six hundred thousand dollars? Where are you going to make that up from?

**MR. HOLLANDER:**

Well, the contract basically says that we're going to spend the money that you give us. If you've given us too much money and you acknowledge the fact that you gave us too much money, then we'll give you back the money that you gave us over and whatever is left is what we would spend.

**CHAIRMAN ALDEN:**

So Suffolk County gets the short end of the stick, even at that point.

**MR. HOLLANDER:**

No.

**CHAIRMAN ALDEN:**

You're under -- no really.

**MR. HOLLANDER:**

You don't get the short end of the stick because --

**CHAIRMAN ALDEN:**

Mike hold it. You're going around in a circle here. X number of dollars, it comes in and it's a tax, okay?

**MR. HOLLANDER:**

Yes.

**CHAIRMAN ALDEN:**

That money, by law, has to be spent to promote Suffolk County, okay! So if you're going to give us back money out of that, what you're telling me is that you're not going to live up to the law and you're not going to spend the money that's coming in to do exactly what it's supposed to do and that's promote Suffolk County.



**MR. HOLLANDER:**

That's not accurate, Mr. Chairman. Suffolk County acknowledges the fact that if we were supposed to receive if we did receive one million, one hundred and seventy six thousand, that you overpaid us two hundred and thirty eight thousand. When we give you back the two hundred and thirty eight thousand of which you've almost already have that back; the balance will be nine hundred and fifty eight thousand, which 100 percent of it was spent on you.

**CHAIRMAN ALDEN:**

No, you still -- by law, when it comes in, that money has to go and be spent to promote Suffolk County. If you're going to take even a small percentage of that and you're going to pay us back what you owe us in overpayment, you're not living up to the law, the requirements of the law.

**MR. HOLLANDER:**

I don't agree, Mr. Chairman, with all due respect. I'm supposed --

**CHAIRMAN ALDEN:**

And I'm just going to point out something else. Where did the money come from, the overpayment? Where does that money come from, to go to you? I'll tell you where it comes from. It comes out of the general fund. We just got done raising taxes, sales tax and we raised property tax. That's where that supplemental money came from. If it didn't come in and it was an incorrect amount that went to you that money had to be supplemented from the general fund.

**MR. HOLLANDER:**

Based -- I mean I'm not the expert on this but you know I have a document that I got from Ken Weiss, when he was trying to explain to me the overages. I think, again, I'm not the expert in this but I can't answer it. I'm not the expert. I can only guess for you.

**CHAIRMAN ALDEN:**

You did make the statement that you knew that you were getting overpaid and you took the money.

**MR. HOLLANDER:**

That's not what I said.

**CHAIRMAN ALDEN:**

You actually did. I have the quote.

**MR. HOLLANDER:**

Yes but they didn't get the quote right and they turned -- they didn't -- that's not what I said. I'm trying to explain to you exactly what happened. I have the Comptroller here who can tell you the first hand conversations and that what says in the paper does not accurately reflect what I said.

**CHAIRMAN ALDEN:**

Well, actually it says in the paper and that's way before the Budget Review report came out that you made the statement. So you knew about it before the Budget Review report came out. You absolutely made that statement quite a while before the Budget Review report came out. So it wasn't our report that made you aware of the fact that you were getting an overpayment.

**MR. HOLLANDER:**

The statements that I made are the same that I stated this morning. When we received the two hundred and thirty eight thousand dollars, we couldn't figure out why we were getting it, just like we couldn't figure out why we were getting the hundred and ninety five thousand dollars. And we told the County that look, it makes no sense, we don't -- if you gave us all

this money from back years with the hundred and ninety five, how can there be any more to do? But there were questions that had always been surfaced to the account of where the money came from? Whether the money all went in the correct fund. Did it go here? Or did it go there? If Suffolk County is going to tell me and tell my Comptroller, we've done an audit, we've gone through all the numbers, we're 100 percent -- this is your money, then they're the expert at it, not us.

**CHAIRMAN ALDEN:**

You just made the statement that you knew that there was a problem with that and yet you took the money anyway?

**MR. HOLLANDER:**

Yes, we knew there was a problem but they solved the problem by telling us that we were due the money.

**CHAIRMAN ALDEN:**

Okay, now you negotiated a new contract in December, also you came before us. Why didn't you make us aware of the fact that you had some problems with some money that was paid to you and also I'm going to ask you, did you negotiate the repayment of that overpayment in this new contract?

**MR. HOLLANDER:**

Say that again, please?

**CHAIRMAN ALDEN:**

First off, when you came before us? Why didn't you make us aware that you had some problems with some of the income that was being paid to you?

**MR. HOLLANDER:**

Because when Suffolk County, Ken Weiss, his office, told us they had completed a complete audit of the fund balance and the money was, in fact, due us, it was no longer a concern to us. When they told us they finished the audit after June, it was a non-issue. They completed the audit. They were sure it was our money. That was it. There was no --

**CHAIRMAN ALDEN:**

You just testified before that you still had a problem with the money. That it was an overpayment. You could not figure out why you were due that money and yet you --

**MR. HOLLANDER:**

That's what happened when they told us we were going to get the two hundred and thirty eight thousand, which was the prior year.

**CHAIRMAN ALDEN:**

Why didn't you report that to this legislative body? Why didn't you make us aware of that?

**MR. HOLLANDER:**

It was a non-issue.

**CHAIRMAN ALDEN:**

How is it a non-issue? It's hundreds of thousand of dollars of overpayment.

**MR. HOLLANDER:**

Because we were told by Suffolk County, not only myself but my Comptroller that they had completed an audit and that at the completion of the audit, the money, the two hundred and thirty eight thousand was due the bureau.

**CHAIRMAN ALDEN:**

At that time, did you submit a new plan for how to spend that money?

**MR. HOLLANDER:**

No, when I did the budget for 2000, because remember I was told in 1999 that we were going to get the two hundred and thirty eight thousand, we did a supplemental budget right there and then and then held the supplemental budget off until we received the money. In fact, we started calling them in early 2000, saying to them look, we haven't received the money yet and we're due to do all these things and they kept telling us well, we can't give you the money until we complete the audit.

**CHAIRMAN ALDEN:**

When you negotiated this new contract, which and I'm not sure when it was signed but the Legislature had major problems with it and we actually didn't want it signed until the Budget Review Office had completed their review. When you negotiated that contract, did you negotiate a repayment schedule?

**MR. HOLLANDER:**

No.

**CHAIRMAN ALDEN:**

Why not?

**MR. HOLLANDER:**

Because I didn't know there was any money due.

**CHAIRMAN ALDEN:**

You just testified that you knew that there was a problem with some money?

**MR. HOLLANDER:**

No, what I testified to was is that once the Budget Office, once Ken Weiss's Office completed their audit and once they told us that the two hundred and thirty eight thousand was ours, it was no longer a problem for us. They said it was our money. So as of June or July or whatever date they did that, it's not an issue. They said it's your money. You're entitled to it.

**CHAIRMAN ALDEN:**

Then why did you make the statement that you knew that there was overpayments being made to you?

**MR. HOLLANDER:**

The statements that I made to the newspaper are only in context to what I've said right now.

**CHAIRMAN ALDEN:**

I'm talking about the statements you've made to me, you've made to other people and you made to the newspaper? Why did you make that statement?

**MR. HOLLANDER:**

Well, again, when I'm talking to you or I'm talking to other people, it's a -- I have cumulative knowledge from '97 until April 27th. So there's a lot of things in there that form in your mind or you think about. But if you're asking me for the facts, which I gave you of when exactly things happened, I gave you the pretty close to chronological order of what's happened. We've always had the thought about the two hundred and thirty eight thousand. But if the County says to us, we audited it. It's your money. You have to spend it. The contract says it's yours, then I don't understand what more we can do.

**LEGISLATOR TOWLE:**

Mr. Chairman? Just a question on this audit. I've heard that a couple times this morning and we've been 45 minutes into this and you've asked the same question, I think, I've counted twelve different times and he's given you the same answer. So I imagine we're not going to get a different answer. The answer he gave me seemed pretty reasonable from where I'm sitting. Who did the audit? You keep on saying audit? Because we asked for an audit or the Chairman asked for an audit? Was the audit done by the Comptroller's Office?

Was the audit done by the Budget Review Office? Was it done by the County Executive's Budget Office? Who was it done by?

**MR. HOLLANDER:**

The only thing I have is it's called the Suffolk County Executive's Budget Division, Fund 190, reconciliation 2001 as of 4/25/01. It's what was presented to me when I met with Ken Weiss and the people from that office to discuss what was going on. So that's the only document that I have. We have been asking for an audit. We're in favor of an audit. We want an audit done to figure out exactly how much it is, because there are other things that just don't make sense along the way and I don't know how they add in. For example, you know you budget a certain amount of money to give us and we're only allowed to get that amount. But occupancy for the last several years has been up. But yet the amount over budget is not significant. So it just seems like, with occupancy being up and average rates being up, that the money should be more and that's one of the things that goes into the thought process of the two hundred and thirty eight thousand dollars.

You know when Kevin and I are trying to think about it, one of the things that comes up, well wait a second, it's possible that that money could be ours. That's a possibility. If occupancy is up and average rates are up and they've been up 12 to 14 percent, then the fund should be up significantly over what it was and those are pieces of the pie that go into your mind when you're trying to figure out what's going on. And when they come across and say to you, look this was the audit we did, you're entitled to the money, well then, you know hey, maybe they were putting money in a wrong place and they finally got it back to the right place.

**CHAIRMAN ALDEN:**

Where did this money go then? You mentioned a revised plan?

**MR. HOLLANDER:**

Yes, what it does is it goes to an area of the budget that we call Suffolk Leisure.

**CHAIRMAN ALDEN:**

That's the enhancement for Suffolk County?

**MR. HOLLANDER:**

Yes.

**CHAIRMAN ALDEN:**

Okay that came to roughly six hundred thousand dollars?

**MR. HOLLANDER:**

I don't know. I don't know off hand what that number is. I know that if I go by the Budget Review report that the number would be, they stated, well let me get the other number. They stated that the number would be approximately, well for the Year 2000, LICVB received one million, one seventy-six from Suffolk compared to six fifteen from Nassau. But I don't see -- if I can see where -- you see one of the problems in the report in coming up with that number is that in the report they try to be correct in telling you that we received one million, one hundred and seventy six thousand dollars and that that represented a 37 percent increase from the prior year as compared to Nassau's twelve and I think that's where they get the number that you're close to saying. But in the one million, one seventy-six, there's an overpayment of two hundred and thirty eight thousand, which makes the number nine hundred and thirty eight thousand, nine ninety-six and only a nine point five percent increase. So the actual difference is about three hundred and fifteen thousand.

**CHAIRMAN ALDEN:**

But my question was the revised budget. We gave you one point one million, okay and there's a few visuals here to just -- you know bring up a little example of what that enhancement for Suffolk County did. Now if you take notice of these little visuals, where on those visuals and they are blown up pretty much, where do you find Suffolk County mentioned on those?

**MR. HOLLANDER:**

I'm going to ask Kim from KZS to answer that question.

**CHAIRMAN ALDEN:**

I'll give you a magnifying glass. Because that's what you're going to need if you go and look at the actual ad to find Suffolk County. So you can use my magnifying glass if you want.

**MS. LOCKERBIE:**

My name is Kim Lockerbie.

**CHAIRMAN ALDEN:**

Actually there's someone here from Budget Review

**LEGISLATOR TOWLE:**

Is this for the cameras or for us? I mean, Mr. Chairman, we can't see charts first of all. I read the Budget Review report. It's a faxed copy or a seven -- you know seven time photocopy of an ad. I'd like to actually see the charts. I mean, I'd like the charts turned around.

**CHAIRMAN ALDEN:**

Yes.

**LEGISLATOR TOWLE:**

I'd like to be able to look at what we're talking about. You have a lot of pre-joint conclusions. I don't have those pre-joint conclusions. I came here this morning to listen and we haven't been able to get a word in edgewise, because you and Mr. Hollander have been arguing for the last hour about the same answer to the same questions.

**CHAIRMAN ALDEN:**

Legislator Towle, could you also -- Jim, could you come and just turn these around? Now, according to the contract, at least six hundred thousand or seven hundred thousand dollars was supposed to go to specifically promoting Suffolk County. Now that's what this represents, this specific promotion of Suffolk County. A few of these boards do have the actual size ads on them and I'm not sure if that's what you're passing around. But I want you to be aware of the fact that the actual size ads and again, what I'm going to do is you take my magnifying glass and you show me on there where it actually says Suffolk County? These are blown up. This is not as it appeared. But this is good representation because this is blown up, those are blown up. But I do have some actual size of the ads, as they appeared in magazine, in print.

**LEGISLATOR TOWLE:**

These are those actually, these are those ads.

**CHAIRMAN ALDEN:**

Right but this is blown up. This is magnified about seven times.

**LEGISLATOR TOWLE:**

So is it safe to say your problem is that Suffolk County is not large enough in those ads? Is that the jest of this, I guess?

**CHAIRMAN ALDEN:**

One of my problems is when you spend over seven hundred thousand dollars, I would think that, you know, you get mentioned a little bit more than someplace where you need a magnifying glass to see it.

**LEGISLATOR TOWLE:**

Well, these ads clearly, if I'm --



**MS. LOCKERBIE:**

Mr. Chairman?

**LEGISLATOR TOWLE:**

These ads, as I'm clearly looking at them, promote Long Island.

**MS. LOCKERBIE:**

Mr. Chairman?

**CHAIRMAN ALDEN:**

No, no, there's seven hundred thousand dollars by contract has to go to specifically promote Suffolk County.

**LEGISLATOR TOWLE:**

Okay, they clearly promote --

**MS. LOCKERBIE:**

They did.

**LEGISLATOR TOWLE:**

Just hang on one second, if you don't mind? We're arguing now. The ads clearly promote Long Island. I see wineries. I see villages and sailing. I see golf courses. I see museums. And I'm not sure what this one is about.

**CHAIRMAN ALDEN:**

Why isn't Suffolk County mentioned in the ad?

**LEGISLATOR TOWLE:**

I didn't design the ads.

**CHAIRMAN ALDEN:**

No, no, no, Legislator Towle, actually I'm not directing my questions to you. Mr. Hollander, why isn't Suffolk County's name more prominently mentioned in these ads?

**MR. HOLLANDER:**

I'm going to have Kim answer that question, because she can answer it better than I. But I'd like to point out that you're only looking at a small portion of the Suffolk County Program. We spend in excess of a hundred thousand on television commercials. We spend in excess of sixty thousand dollars on co-op programs with the regions on the North Shore, on the South Fork, on the North Fork and in regions around the County. We also have special events that we work on, such as the Suffolk County --

**CHAIRMAN ALDEN:**

No, I'm talking about the one part of the contract that calls for the special enhancement of Suffolk County. The special promotion of Suffolk County. So if I could have that question answered briefly, I'd appreciate it?

**MS. LOCKERBIE:**

My name is Kim Lockerbie. Can you hear me? My name is Kim Lockerbie and I'm Senior Vice President of Kopf, Zimmermann, Schultheis Advertising. Michael asked me to be here this morning because he knew that, at least, part of the discussion would center around Leisure Advertising for the Long Island Convention Visitor's Bureau and specifically, Suffolk County. For the advertisers that we work with for all of our clients, our job is to help the companies that we serve be the possible stewards of their brands and their marketing communications budgets. In this case, the client is the Long Island Convention and Visitor's Bureau. The brand is Long Island as a tourist destination and the budget, as you are obviously well aware, is funded through monies collected through hotel rooms in Suffolk and Nassau County, as well as New York State.

Working with Michael and the other members of the LICVB for more than five years now,

we've honed the marketing communication strategy for Long Island. We've created a very hard working leisure ad campaign. You can see those ads are, in fact, small because the fact is the expense of running one small ad in something like the New York Times is pretty great. So we have developed very hardworking leisure ads designed to expand awareness and shape perceptions of our region as a tourism destination and generate response in the form of requests for the printed Long Island Travel Guide, as well as visits to the LICVB dot com. Fundamental to everything that we've done has been a concerted effort aimed at building the image and identity of Long Island as a tourism destination. A brand that enjoyed significant equity even before this agency got involved. More recently, because of how the leisure ad budget is constructed, we've been asked to add Suffolk County to the brand ID. So our print and television ads now include the LICVB Logo, the I Love New York Logo and the word Suffolk County. Now before I go on, I want to see something about branding, in general and then I'll get back to the communications efforts for Long Island. At it's most basic --

**CHAIRMAN ALDEN:**

Actually, I'd like to just stop you right there because I think you've answered my question. You were not hired to promote Suffolk County. You were hired to promote Long Island and then, as a side bar or a very, very small mention to Suffolk County. So I think you've answered my question.

**LEGISLATOR CRECCA:**

Well, I'd like to hear what she has to say, Mr. Chairman.

**CHAIRMAN ALDEN:**

And then you can ask --

**LEGISLATOR CRECCA:**

I'm a Legislator on here too and I'd like to hear what she has to say.

**CHAIRMAN ALDEN:**

Right and then you can ask her, when I turn the microphone over to you, you can ask her any question that you'd like. My answer was --

**LEGISLATOR TOWLE:**

We don't want to hear the answers here, Legislator Crecca. That's very obvious this morning in the last hour.

**CHAIRMAN ALDEN:**

Thanks Fred.

**LEGISLATOR TOWLE:**

We've interrupted every person that spoke before this committee.

**CHAIRMAN ALDEN:**

You'll get your chance. You'll get your chance.

**LEGISLATOR TOWLE:**

I trust you. I'm going to sit here and wait for it. This is the most jackass way to run a committee.

**CHAIRMAN ALDEN:**

Fine.

**LEGISLATOR TOWLE:**

That I've ever seen in the 6 years that I've been here.

**CHAIRMAN ALDEN:**

Mike, I've just got one more -- a couple line -- on one other line of questioning. As far as your automobile and the automobile allowance? It's a twelve thousand-dollar a year allowance that you get for the automobile?

**MR. HOLLANDER:**

That's correct.

**CHAIRMAN ALDEN:**

You made a statement that you did 21,000 miles a year?

**MR. HOLLANDER:**

That's what I've done in the past, yes.

**CHAIRMAN ALDEN:**

Okay that's the equivalent of about 84 miles a day. In other words, you drive a little bit further than from here out past Montauk Point every day?

**MR. HOLLANDER:**

No that wouldn't be correct.

**CHAIRMAN ALDEN:**

Okay, but that's what it breaks down to 84 miles a day. Also that's the equivalent of about, I think, it's in the 56-cent range per mile, as far as reimbursement.

**MR. HOLLANDER:**

Well, number one, when I'm doing trips. Some of them are longer than just going one way. I mean, if I go out to Montauk and come back --

**CHAIRMAN ALDEN:**

But it is every day.

**MR. HOLLANDER:**

I understand that.

**CHAIRMAN ALDEN:**

This is every day.

**MR. HOLLANDER:**

I can only tell you what my mileage is. You know, maybe one year it will be 19,000, one year it will be 20. It has been 21,000 more than once. I put on a fair amount of mileage. But I don't -- I mean, it seems to me the point is that I own the car.

**CHAIRMAN ALDEN:**

No, no, no. The point is that's 25 percent. If you're doing that many miles a day that's 25 percent of your time is spent in the car. There's a perception problem. When we're paying you more than anybody else in Suffolk County would be paid, other than the County Executive, the perception is 25 percent of your time is spent behind the wheel of a car, not promoting Suffolk County. That's my question to you.

**MR. HOLLANDER:**

Well, I spend a fair amount of time in the car going where I have to go. But I take a phone with me and I have an obscene, you know -- phone except for the fact that I get a good deal on it. I spend a lot of time, an obscene amount of time on the phone returning all my phone calls and doing my job. And when I'm out there, I'm doing it. And on the thousand dollars that I get a month only two fifty is charged to Suffolk County, not a penny more. So 50 percent of the expense of the car, the car allowance gets paid by the membership and not by Suffolk County.

**CHAIRMAN ALDEN:**

But we're still paying it 56 cents, which is almost double what we normally pay our employees as far as reimbursement.

**MR. HOLLANDER:**

You're only paying two fifty a month. That's all you pay.

**CHAIRMAN ALDEN:**

Right but it's at a rate that would equal 56 cents per mile, which is double what we pay any employee for reimbursement.

**MR. HOLLANDER:**

It's impossible, because at two fifty, the number would be three --

**CHAIRMAN ALDEN:**

I'm just going by your own numbers, Mike.

**MR. HOLLANDER:**

Yes but --

**CHAIRMAN ALDEN:**

Numbers you told me, 21,000 miles a year.

**MR. HOLLANDER:**

But you only pay three thousand dollars a year. So you'd have to take three thousand divided by the twenty one thousand and I think it's going to come out to 7 cents a mile.

**CHAIRMAN ALDEN:**

I have one more point too. Fred, Budget Review Office? Just a question on -- as far as reimbursed type of salaries. We have a College President that his salary is partially reimbursed and I believe that the Department of Social Services -- can you just give me some numbers on that?

**MR. POLLERT:**

Of the -- County has a number of highly aided departments. The highest probably would be the Commissioner of Social Services with approximately an 80 percent reimbursement rate. The Health Department is approximately 42 percent, Probation Department roughly 40 percent. The Community College is about a third; Labor Department is close to 90.

**CHAIRMAN ALDEN:**

What does that break down into dollars as far as what the County's contribution would be to that?

**LEGISLATOR CRECCA:**

Fred, is Mike Hollander an employee of Suffolk County?

**MR. POLLERT:**

No.

**LEGISLATOR CRECCA:**

Does Mike Hollander work for a private corporation?

**CHAIRMAN ALDEN:**

Excuse me, Legislator Crecca, I'm not done.

**LEGISLATOR CRECCA:**

Oh, okay.

**MR. POLLERT:**

It would really depend upon the departments. How in the Department of Social Services the State and Federal Aid would be in the amount of approximately four to five hundred million dollars. The County paying the smallest proportion of the amount about 20 percent. Now, within departments there are some programs that are 100 percent aided like the HEAP type of program. But in general, a rule of thumb is 28 percent reimbursement for all County Programs. That's what it averages out to.

**CHAIRMAN ALDEN:**

Thanks Fred. At this point Legislator Crecca, you've indicated that you have --

**LEGISLATOR CRECCA:**

Legislator Towle was first.

**LEGISLATOR TOWLE:**

If that's okay with you Legislator Crecca, I'm ready to go.

**CHAIRMAN ALDEN:**

Legislator Towle, go ahead.

**LEGISLATOR TOWLE:**

I wouldn't know where to begin this morning but let's start up with the first thing. If we're really going to look at things, we clearly need someone from Audit and Control here. We clearly need Ken Weiss from the Budget Review Office. We clearly need Alice Amhrein and Ed Wankel because apparently they were involved in regards to the funding. Let's start with that question first. Fred, you gave a number of three hundred to six hundred thousand dollars and we've pretty much covered all bases by giving us enough of a wide, enough latitude there. Why is there such a large gap as opposed to a specific number? Let me ask that question of you first?

**MR. POLLERT:**

The Budget Review Office used three different methodologies to attempt to determine what the overpayment was. We used the County Treasurer's cash reports. We used what was included in the County's Operating Budget, which is reconcile to the final audited numbers and then we used the numbers, which are included in the County's Integrated Financial Management System. Depending upon which source of documentation we used the range of overpayment ranged from three hundred, nine thousand dollars up to six hundred and fifty six thousand dollars. It would appear from Mr. Hollander 's statements that Ken Weiss, with whom we shared all the data, has now locked into an overpayment of approximately four hundred and twenty thousand dollars. Ken did not share his methodology with us, with respect to how he had arrived at the numbers. We did provide him with all the data that we had. So there's a difference with how the numbers are being recorded depending upon if it's a Treasurer's Office Integrated Financial Management System or the County's Operating Budget.

**LEGISLATOR TOWLE:**

So to translate one more time, just to make sure that I'm walking away with a clear understanding. All three of our checks and balance systems have given us different numbers, when your office went and looked at those?

**MR. POLLERT:**

That's correct and what's most troubling is --

**LEGISLATOR TOWLE:**

That's troubling in itself right there Fred, I've got to tell you. That we can't even get our own books in order. We didn't even know what we've overpaid.

**LEGISLATOR CRECCA:**

Would you suffer an interruption, Legislator Towle?

**LEGISLATOR TOWLE:**

In fact, we've overpaid them.

**LEGISLATOR CRECCA:**

Because it's just right on this point. I don't want to reiterate the question. So that's why I'm interrupting.

**LEGISLATOR TOWLE:**

Feel free.



**LEGISLATOR CRECCA:**

Who is -- I'm going to -- I think, I know the answer to this question but it's our -- we collect the tax, right? Suffolk County? It comes into our budget? The hotel, motel tax?

**MR. POLLERT:**

The tax flows into the County Treasurer's Office, which in turn post it to a separate account. That account should reflect actual cash balances. When we started to do the review, we learned that there were negative balances. That is -- it should be a technical impossibility. That should have been the first type of warning that the account had been overdrawn. Because generally the County is on a modified accrual basis of accounting, so we could have negative balances. But this particular account was on a cash basis, therefore, we deposited the cash. The distribution should never exceed the amount of cash, which is deposited to the fund.

**LEGISLATOR CRECCA:**

Who gets to distribute that money besides -- well, who gets to distributed that money? Where is it supposed to go? Three quarters of it goes to the tourism industry and the quarter goes where?

**MR. POLLERT:**

Sixty-six and two thirds goes to the tourism promotion agency. The Parks Department gets sixteen and two thirds and museum and cultural organizations get sixteen and two thirds. That's on page two of our report.

**LEGISLATOR CRECCA:**

Okay. So when we were making payments out of there, who does the actual payments out of there? Who is writing the checks? Who is auditing first of all, as it comes in? Would that be the Treasurer?

**MR. POLLERT:**

The Treasurer's Office is responsible for the posting of the revenues. The actual distributions would be a function, I believe, of probably the Comptroller's Office and the Budget Office with respect to the distribution.

**LEGISLATOR CRECCA:**

Okay, so meaning the Budget Office, the County Executive's Budget Office?

**MR. POLLERT:**

Yes. But ultimately, it's the responsibility of the department to do the distribution. That would be the Department of Economic Development.

**LEGISLATOR CRECCA:**

And is there anyplace either in the contract or in this process, where that audit process is done by the contract agency in this case, LICVB?

**MR. POLLERT:**

The County Comptroller is the Chief Financial Officer of the County and has the capability to do an audit and has a responsibility to do an audit of the agency. The County's finances are reviewed by an independent auditor, which also certifies our books on an annual basis. What I will say is that because it is a general fund type of revenue, it is -- it tends to be aggregated with other general fund types of revenues for the purposes of the independent auditor. He also has a threshold because it is a relatively large County, on what he considers to be a material type of item. This would not be a material item, which he would necessarily invest a lot of time and effort in.

**LEGISLATOR CRECCA:**

Do we know where the money -- those extra monies that appeared both in, I guess, '99 and '98? Or at least, when the people said that there was -- from Economic Development or Ken Weiss's Office said that those monies were there. Do we know -- I'm assuming that that money and I'm asking if you know if we verify this? Was that payments were not made to

other areas, parks, museums, whatever? Or we don't know that?

**MR. POLLERT:**

That's the troubling part that the account was overdrawn. It actually ran a negative balance to the point where the payments could not be made at the end of the year. So in January, payments were made for the previous year, which automatically shorted the account for the current year. So ultimately, you had to have the general fund somewhere make up those extra types of revenues. So to the extent that the over -- that the account was overfunded or that checks were drawn on the account to create a negative balance. It's ultimately the general fund, which made the other funds whole.

**LEGISLATOR CRECCA:**

Oh, I'm sorry, go ahead. Basically, we screwed up out checkbook is what I'm hearing.

**MR. POLLERT:**

It's a confusing issue and that's part of the reason that we had recommended that the County's Comptroller go out to do a complete financial audit. This was not intended to be a financial audit.

**LEGISLATOR CRECCA:**

Okay.

**MR. POLLERT:**

So the County Comptroller really needs to go out to do the verification. I'm not even sure that the four hundred and twenty thousand dollars is a proper amount of the overpayment. Ken didn't share his work papers with us.

**LEGISLATOR CRECCA:**

Okay.

**LEGISLATOR TOWLE:**

Legislator Crecca, remind me not to let you interrupt me.

**LEGISLATOR CRECCA:**

I'm sorry.

**LEGISLATOR TOWLE:**

Just -- I'm not even sure where I left off now. You know what's apparent, I think, though is that the County collected money and Mr. Hollander, I guess, let me ask this of you? The County collected money and in two separate instances they came to your group and said that we haven't given you enough money.

**MR. HOLLANDER:**

Yes.

**LEGISLATOR TOWLE:**

And in both instances, you told them what are you talking about. You know our records indicate that we received what we're supposed to receive. At one point you accepted that money. It happened the second time. At that point, an audit was done by the County Executive's Budget Office, not our Budget Review Office but their Budget Office of their own internal books. They came back to you and said you know what? We've audited our books and I'm simplifying this and we still owe you the money and they gave you the money.

**MR. HOLLANDER:**

Yes.

**LEGISLATOR TOWLE:**

And you provided a budget for how that money was going to be spent, i.e., some of the samples of these ads that we're looking at this morning?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR TOWLE:**

Okay. After they did that, they came back and said guess what? You were right and we were wrong. We made a mistake even though we did an audit of our own books. Not that I sat there with a calculator. We audited our own books and said, you were entitled to money. We came back afterwards and said you what? We were wrong. You owe us that money back. You didn't argue with us. You said, okay, we'll pay you the money back. I mean, am I --

**MR. HOLLANDER:**

Yes.

**LEGISLATOR TOWLE:**

Clearly understanding that at this point?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR TOWLE:**

Okay. What I'd like from you, is a couple things this morning, I have a couple other questions but on this issue of the money, we obviously can't resolve this issue of the money here today. And clearly, it sounds like it's our screw up, not yours from what I've heard. But clearly, we need the financial people that are responsible for these things to be here this morning, so they can defend themselves and explain this process. But I'd like from '98, '99, whatever you did as part of that supplement? I'd like copies of those ads whether they're print, radio, TV, videotape, I don't really care. Whatever you did with the money, I want to see a copy of what it was spent on. I think it's clear to your advertising folks that although these ads are very nice, I think, Legislator Alden brings the point that Suffolk County's name should be bigger, hopefully, you've walked away with that message here this morning. Let's go on to the next issue because I think the money has been beaten to death and obviously, you're going to auditing and you don't oppose the audit, you're all for that?

**MR. HOLLANDER:**

We're in favor of it.

**LEGISLATOR TOWLE:**

Okay. Let's talk about the car for a second this morning because obviously, I read the Newsday story before and I read it this morning. You said you receive a thousand-dollar -- is it a stipend or supplement to your salary, is that what --?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR TOWLE:**

Okay. Who pays that thousand dollars? Where does that money come from?

**MR. HOLLANDER:**

Five hundred dollars come from our membership, two fifty from Suffolk and two fifty from Nassau.

**LEGISLATOR TOWLE:**

Towards the car itself?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR TOWLE:**

You've went out and personally leased the vehicle on your own? It's not leased by the organization or how does that work?

**MR. HOLLANDER:**

Correct. It's personally leased by my family.

**LEGISLATOR TOWLE:**

And the insurance, the gas, the maintenance, any and all repairs to vehicle?

**MR. HOLLANDER:**

They are all paid for by me.

**LEGISLATOR TOWLE:**

Out of that thousand dollars a month?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR TOWLE:**

And what happened -- do you have mileage on the vehicle? You said for a certain amount of miles?

**MR. HOLLANDER:**

Yes, it has a lease. It has a certain amount of mileage. If there is any overage, I have to pay that.

**LEGISLATOR TOWLE:**

That's your problem. So two fifty, two fifty of that thousand dollars is actually coming from the million plus dollars you receive from Suffolk County?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR TOWLE:**

Not the full thousand dollars a month?

**MR. HOLLANDER:**

No.

**LEGISLATOR TOWLE:**

Who determined that amount of the thousand dollars a month?

**MR. HOLLANDER:**

The Executive Committee and the Board of Directors.

**LEGISLATOR TOWLE:**

Which a member of our Economic Development Department is on that board?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR TOWLE:**

And is a voting member of that board?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR TOWLE:**

So in essence, Suffolk County who is officially represented voted to give you that thousand dollars a month?

**MR. HOLLANDER:**

I don't know how they voted or what they did that day but they were there for the conversation, yes.

**LEGISLATOR TOWLE:**

Obviously, we'd like copies of those minutes and a copy of the voting record. I'm assuming your contract -- how many years have you now been in that position?

**MR. HOLLANDER:**

Three and a half.

**LEGISLATOR TOWLE:**

And when you started, your salary was what and what is it today?

**MR. HOLLANDER:**

When I started it was one twenty four, eight hundred and today it's one forty four.

**LEGISLATOR TOWLE:**

And you've got yearly raises I guess? Or how does that work with your organization?

**MR. HOLLANDER:**

Yearly I get a review. Typically, it tends to be somewhere between the 3 and 3 1/2 percent. But I should note that 25 percent of my salary gets charged to membership. So even on the one twenty four, 25 percent of it would be charged to membership and not to Suffolk or Nassau.

**LEGISLATOR TOWLE:**

Okay and obviously, any increases that you received were approved by who?

**MR. HOLLANDER:**

They're approved by the Executive Committee.

**LEGISLATOR TOWLE:**

Okay and that's --

**MR. HOLLANDER:**

Compensation Committee.

**LEGISLATOR TOWLE:**

And that's obviously, a vote by committee. There's minutes and things of that nature?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR TOWLE:**

And you can obviously, provide us those records as well?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR TOWLE:**

Okay, I think that's obviously, important just to clear up that issue. Just one more and then I'll be fine, as far as that goes. I've looked at the ads this morning and I've had an opportunity to see some of your ads. In fact, I'm a member of your organization. I joined about four years ago, although I'm not an active member, I just think any efforts to promote -- no, no, it's not why I'm going to abstain. There's no votes obviously, this morning, Legislator Guldi. But you know you get here late, you find those things out. In any event obviously, your ads, I think, are important to promoting Long Island and the region. And just to comment on your comment Gloria, I think you're absolutely right, if there is any

attempt to diversify and put Nassau against Suffolk, I clearly think that's a mistake. Long Island is a region. We should promote Long Island as a region. It would make sense to me to continue to do that and it would not make any sense not to do that. And clearly, if that's our agenda here this morning that's not a positive agenda for Long Island. And I am done with my questions now.

**CHAIRMAN ALDEN:**

Thanks Legislator Towle and we've got Legislator Crecca.

**LEGISLATOR CRECCA:**

Yes, just a follow up on some of the -- first on some of the salary questions asked by Legislator Towle. And Mike, either you could answer this or if there is somebody more appropriate? How does the current salary of the President -- Long Island your salary compare to the salary of other Presidents of -- if you have that information of Visitor and Convention Bureau's? And I specifically, if you could, how does that compare to other ones in areas similar to ours or Metropolitan areas?

**MS. CALIGIURE:**

Basically, we had hired an outside consultant to do a survey, a salary survey to find out how we positioned ourselves with other like organizations. We fall within 5 percent of the mid-point range. So we have highs and lows and we're within 5 percent of the mid-point range for each of our categories for each of our employees.

**LEGISLATOR CRECCA:**

Does that --do they look throughout the United States?

**MS. CALIGIURE:**

They look throughout the United States, as well as considered New York State, the Northeast which tends to be a little higher than nationally.

**LEGISLATOR CRECCA:**

And what about the other aspects of the compensation package? Do they look at that, as far as benefits and also auto expense and things like that?

**MS. CALIGIURE:**

Yes, there has been a comparison also on where we should fall within the range. Either other executives get car allowances or they get cars. As far as benefit package, we've also reviewed that and we do fall within the range that we're comfortable with.

**LEGISLATOR CRECCA:**

So in other words, overall, the whole package you're saying is within the median? Is that what you're saying?

**MS. CALIGIURE:**

Yes, it is. The whole package is within the median and in addition to the outside consultant, we do have a Compensation Committee that also reviews the package. That reports directly to the Board of Directors as well as the Executive Committee.

**LEGISLATOR CRECCA:**

My next question is on -- we've heard a lot of some concerns today about Suffolk County and Kim might be able to answer this or Mike, I don't know who? But you know, I guess, my question is that why not put Come to Suffolk County? You know, is that -- and I mean I know we've heard this a little bit back when we were renewing the contract, some of the thought process behind this. And my understanding then was was that Suffolk County is not really the market -- from a marketing point of view is what people want to hear. They want to hear something, I guess, more appealing and I guess if you can respond to that?

**MR. HOLLANDER:**



I'm going to let Kim answer and Gloria who is from the Ward Melville Heritage. Kim, you want to go first?

**MS. LOCKERBIE:**

Yes, okay when I started speaking earlier, I mentioned that the brand that we have promoted and been promoting, at least for the five plus years that this agency has been involved, has been Long Island. We have since added to the mix, Suffolk County in words in our print and television ads. But I wanted to say something about branding in general. That at its most basic, a brand is a name, a term, a sign, a symbol, a design, some combination of those things that is intended to identify the goods and services of a seller or a group of sellers and to differentiate them from competitors. That's the view of a brand from the inside out. A brand image, which is frankly more important, is the set of beliefs that consumers hold about a particular brand, the view from the outside in. The reality is that a brand is not defined by its creator or in this case, it's promoters. It exists only in the eye of the beholder, the customer.

Earlier, I mentioned brand equity. What I mean by that is the value of a brand based on the extent to which it has high customer loyalty, name awareness, perceived qualities and strong brand associations. For any Branding Program to be successful, it must first and foremost be simple. It should make very clear what the brand is and what it stands for. Now, as I said earlier, for the purposes of destination marketing, research has shown there is solid equity in the brand, Long Island. Equity that increases every day, as members of the media and average individuals refer to this region by the name that is most commonly known as. For those who are familiar with this area, Long Island has a fairly well defined image as a destination. The brand persona is a unique cross between natural characteristics of the island, which is our beaches and our moderate climate and our beautiful terrain and man made qualities, such as our historic sites, harbor villages, vineyards, golf courses and shopping and dining setting, the things that you see promoted on our ads. Research tells us that each of these attributes is appealing to a sizeable segment of the leisure travel market. So we highlight these features in our ads. A lot of these features, in fact, the majority of them are here in Suffolk County.

For those who only know Long Island by name or don't know the island at all, our region doesn't really have a clear brand identity, which is why it is so important that our marketing communications should present a clear consistent cohesive image. I should also say and I hope nobody will find this disrespectful or upsetting but it's true that for the purposes of destination marketing, there really isn't any equity in the name Suffolk or Nassau County whether there's a need to be. Both of the Counties benefit from a promotion of Long Island. So from our perspective, from a communications perspective, adding Suffolk County to the ad doesn't necessarily help Suffolk County. In fact, it could potentially confuse the situation.

I will say one final thing. When I say Boston, what image does that conjure up for you? In my mind its history, rocky beaches, lobster, baked beans, the Red Socks, Manual Aall, all kinds of wonderful things about Boston. Like Long Island, Boston is a strong destination brand. Well, I lived just north of Boston for two years, which is the only reason that I know that that city and the tiny town, in which I lived, are in Suffolk County, Massachusetts. That's competitive territory out there, right in our neighborhood. No one, I assure you, associates Boston's wonderful brand qualities with the name Suffolk County, Massachusetts, similarly unless one is acutely aware which County he is in when he's visiting Sagamore Hill or Southampton. No one associates Long Island's wonderful brand qualities with Nassau or Suffolk County, New York. They don't need to. What's in the brand name? Potentially a lot. What's already in the brand name Long Island is good and my recommendation would be just let's make it stronger. Let's project a clear cohesive identity program for Long Island.

**LEGISLATOR CRECCA:**

I guess -- thanks Kim. And I understand that point and I guess to just follow up on that point or to hone it in to these extra monies that Suffolk County provides? How do these ads, how does the budget the way you spend it and I'll direct that question to you. How does that differentiate us from --?

**MS. LOCKERBIE:**

You'll notice --

**LEGISLATOR CRECCA:**

Are we not promoting Nassau County and that's what I'm asking?

**MS. LOCKERBIE:**

Well, you notice all those visuals are promoting Suffolk. I don't even have to -- I can have the backs to me and remember. You have the wineries. There's only one winery in Nassau County, if I'm mistaken, which is {Banfee} and so that's really promoting Suffolk County. You have the museums and you're promoting the Whaling Museum in Sag Harbor, if I'm not mistaken along here, this row. You have what it calls charts and we all know that's Prestons out in Greenport. So the visual is promoting Suffolk County.

**LEGISLATOR CRECCA:**

And how many harbor villages do we have, if you know? How many harbor villages -- is that you just referred to charts out in Greenport?

**MS. LOCKERBIE:**

Right.

**LEGISLATOR CRECCA:**

How many harbor villages do we have compared to Nassau, if you know that?

**MS. LOCKERBIE:**

Off the top of my head?

**LEGISLATOR CRECCA:**

Yes.

**MS. LOCKERBIE:**

I don't know.

**LEGISLATOR CRECCA:**

Okay.

**MS. LOCKERBIE:**

But you have a heck of a lot more and the whole leisure market is primarily Suffolk driven. You have more bedrooms, more hotels in Suffolk than Nassau ever had. It's leisure driven.

**LEGISLATOR CRECCA:**

Golf courses? Do we have more or less than Nassau? Well, Mike could answer that. Mike, do you know?

**MR. HOLLANDER:**

No.

**MS. LOCKERBIE:**

Yes, probably more because you have more land. I have just one thing to add?

**CHAIRMAN ALDEN:**

Sure.

**MS. LOCKERBIE:**

This isn't pertaining to branding per se but our ads, as you'll note, the call to action is we ask people to request a travel guide, the printed travel guide or to visit LICVB dot com the Web Site that we also worked with the CVD to develop. And when a person does, in fact, request a printed travel guide or when he goes to the Web Site, the way we present Long

Island, because Long Island is a very large region, it's not just a city like a Boston, for example. It's a large region. It's very diverse. We've got a lot to offer and so what we've done is divided the island up into its own sort of sub-regions. We call those the North Shore, the South Shore, Central Suffolk, the North Fork and the South Fork, logical. All of those regions, all five of those sub-regions includes some portion of Suffolk County. Three of the five are Suffolk County. That's Central Suffolk, North and the South Fork. So when a person gets the travel guide, a bulk of what he's seeing presented to him is information about Suffolk County.

So all of -- I understand your concern from a budget standpoint. I'm just thinking really from the big picture and the communications and the messages that we are conveying to perspective visitors to the island. Anything that we promote about Long Island, in reality, is promoting Suffolk County. It really is. Whether we say the word Suffolk County or not, we do the job by showing images of Suffolk County and by presenting Suffolk County heavily in the vehicles, the follow on vehicles, the travel guide and the Web Site. And I really represent Stony Brook, so I'm really in the middle of Suffolk. If you --

**LEGISLATOR CRECCA:**

No, I think you answered my question.

**MS. LOCKERBIE:**

If you bring up the web in Suffolk County, you'll see all of these things are related to Suffolk County, Maryland, Virginia, our own Suffolk County. We don't want to get confused and I was just saying to Michael, I've been involved for 21 years and when you go nationally, we have a rough time promoting Long Island. We're making progress. We're making hay there but you know to go back to promoting each County would be a regression in my opinion.

I created the North Shore Heritage Trail and we promote the two Counties on a theme basis. We don't promote, because a visitor coming to an area doesn't know what County they're in. They know they're along Washington spy trail and it covers both Counties. But not that they're going from one County to another. One other thing I want to talk about funding. I think it's important, as it relates to the gentlemen who talked about overpayment. I don't -- we were made aware of the fact that initially when the room tax was created that the funds went into the general fund and only the last few years they went into a dedicated account. So that kind of complicates things. Thank you.

**CHAIRMAN CRECCA:**

And I want to ask Mr. Hollander not to answer this question now but to provide information to this Legislature in the forms, if you can? Because I know one of the things you've talked about in the past is that you've done a lot of market studies to see where the business is being driven in. I know we talked about in December, what kind of numbers we're driving in, both in hotels and in the leisure market. I'd like to see a comparison or whatever studies you have of the success of Long Island Convention and Visitor's Bureau and specifically compare Nassau's numbers to Suffolk's numbers? Is that doable? I know, we could do that now but unfortunately, I don't want to -- that could take forty five minutes in and of itself and I don't want to go down there. But I think those are important numbers for us to see how much bang we're getting for our buck. And then I'm going to just ask one other question and I think I know the answers to these but I want to make it clear. The Long Island Convention and Visitor's Bureau and Sports Commission, they're a separate corporation? Is that correct?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR CRECCA:**

Okay.

**MR. HOLLANDER:**

Yes.

**LEGISLATOR CRECCA:**

And from that point of view is when we do -- I know we just renewed the contract. It's a contract between Suffolk County and that corporation, correct?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR CRECCA:**

Okay. And for the client, correct?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR CRECCA:**

And we control, in a sense of, what we would like you to do for us as a client?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR CRECCA:**

Okay. And in the past, you've done that through the County Executive's Office or Economic Development, correct?

**MR. HOLLANDER:**

Yes. At all the things we've done there's been a -- Suffolk's representative is a part of the committees.

**LEGISLATOR CRECCA:**

Okay. I have no further questions.

**MR. HOLLANDER:**

Mr. Chairman? I also have a couple of other people who want to just say a couple of words about some of the things we've been talking about.

**CHAIRMAN ALDEN:**

Okay, some of the members of the committee have been waiting a long time and I took up a lot of time, so we're going to go right down the list and Mike's got that list.

**LEGISLATOR D'ANDRE:**

Guldi, you're up.

**LEGISLATOR GULDI:**

Thank you. Mr. Hollander, just to be perfectly clear, the cameras are off, we can -- they can get -- let me ask the questions. The a -- you know that for eight years I have been openly hostile to the room tax and what I consider to be a welfare support State of the Long Island Convention and Tourism Bureau. My district is the Hamptons, Southampton and Montauk. We have inundation in our season. We have brand recognition. We don't need this. We are - - you are taking money from my constituents to subsidize other operations. I think those private businessmen, as you know, would be better served by doing it themselves. We've had this dialogue. We disagree philosophically. You and I have had many, many conversations, notwithstanding our philosophical disagreements. There's certainly no animosity between us nor do I mean to bring any here today. And I'm sure you and I will continue to be able to do business on a cordial basis regardless of our continuing agreements or disagreements. The first thing I really want to go to is you know the -- I'm strongly concerned about three subjects. First of all, your presentation is that we told you by mistake that we owed you more money. You said we were wrong and someone in County government prevailed on you to take it. Not once but twice. You took the money and you spent it on advertising. Doesn't it strike you that, as in any other business, even as a hotel operator, if you receive an overpayment, you're not entitled to disperse it? You're required

to segregate it, hold it in escrow and preserve it. Isn't that the case in every single context? Yes, that's a question.

**MR. HOLLANDER:**

Okay. I partially -- yes, we'll still be friends after this.

**LEGISLATOR GULDI:**

That wasn't the question I want the answer to.

**MR. HOLLANDER:**

I know.

**LEGISLATOR GULDI:**

The question is, isn't there affirmative obligation, when you knowingly receive an overpayment, not just as a Convention Bureau but in every single business to segregate and preserve that property until you resolve the overpayment issue?

**MR. HOLLANDER:**

That's why we took the initial step of setting up a separate budget for the additional monies in both cases, the hundred and ninety five and the two thirty eight.

**LEGISLATOR GULDI:**

But you didn't set up a budget for how you're going to spend it. My question is, isn't there obligations to hold it in escrow and not spend it until you resolve the question, particularly when you know you're receiving an overpayment?

**MR. HOLLANDER:**

They didn't give us the money until it was resolved. So when they gave us the hundred and ninety five, they said it was from previous years. When they gave us the two thirty eight, they said they completed an audit and the money was due us.

**LEGISLATOR GULDI:**

Well, did you agree with those statements?

**MR. HOLLANDER:**

I had no way --

**LEGISLATOR GULDI:**

Or did you disagree with those statements?

**MR. HOLLANDER:**

At that point, I didn't know whether it was right or wrong. They said they had done the audit and the money was due us. Whether they had put the money wrongly and got it back, I didn't know.

**LEGISLATOR GULDI:**

Now let's get specific about who they were?

**MR. HOLLANDER:**

They would be Ken Weiss and his office.

**LEGISLATOR GULDI:**

Okay. Now one of the comments that I saw you -- attributed to you in the newspaper and Lord knows, I know how different those can be from anything you might have said or done. The -- you said that you -- it was attributed to you that you said you weren't entitled to the money and you thought you were being overpaid. Who did you tell you that to?

**MR. HOLLANDER:**

Kevin and I had that conversation with Ken Weiss and various people in his office along the way.

**LEGISLATOR GULDI:**

When did those conversations occur? Timeframe? Roughly, you know I realize that you're not looking at your calendar.

**MR. HOLLANDER:**

It would have been in '99 and 2000, '98, '99 and 2000.

**LEGISLATOR GULDI:**

Did you ever share those concerns outside of the County Executive's Budget Office with anyone in this legislative body?

**MR. HOLLANDER:**

No.

**LEGISLATOR GULDI:**

Okay.

**MR. HOLLANDER:**

I did share it with my Executive Committee and my Board.

**LEGISLATOR GULDI:**

Okay but you never shared it with any of the Legislators here?

**MR. HOLLANDER:**

No.

**LEGISLATOR GULDI:**

Isn't it true that during the last renewal of the hotel tax, which was last year, December? Was that up at the end of the year?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR GULDI:**

It's fair to say that I led the unsuccessful charge to cause that tax to be non-renewed, isn't it?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR GULDI:**

During that period you and I had a couple a hundred conversations perhaps; hyperbole but we had a lot of conversations, isn't that true?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR GULDI:**

During those conversations, did you have any constraints at all on anything you could raise with me?

**MR. HOLLANDER:**

No.

**LEGISLATOR GULDI:**

Did you ever mention to me the issue of overpayment, the automobile issue, the compensation issues? Did they ever come up?

**MR. HOLLANDER:**

Not that I know of.



**LEGISLATOR GULDI:**

Why didn't you tell me any of those things then? Is there a reason you didn't want me to know?

**MR. HOLLANDER:**

No. It comes for the fact that once they told us the audit was complete under two hundred -- on that amount of money, it was like a dead issue to us. It wasn't even on the surface of the plate. You know they found the money. They said it belonged to us. It was a non-issue. That's why it didn't come up. It wasn't an overpayment; it was money that was due us. I mean that's what they told us.

**LEGISLATOR GULDI:**

All right. I understand --

**MR. HOLLANDER:**

Can we just add one -- let Gloria just add one point to that?

**MS. ROCCHIO:**

Yes, these conversations were held with representatives from the County and the Executive Committee over a period of time about this excess funds. We actually thought we were doing a very good job and this was extra room tax money. Well, I'm serious. And so we were even told that if we don't use it, we'll lose it and that's -- we understand how it works in the County so --

**LEGISLATOR GULDI:**

Well, that's not been my philosophy on this anyway. The additional concern with respect to the issue of -- you received an overpayment and there's a repayment question, okay?

**MR. HOLLANDER:**

Yes.

**LEGISLATOR GULDI:**

Has that settled at this point? Has there been an agreed number on overpayment or is it your position that you're still not in a position to make a judgement about what the receipts on the room tax are but you have to rely on our Treasurer's figures?

**MR. HOLLANDER:**

I still have to rely on the Treasure's figures to know what it is and the best information I have to the overpayment as of this second would be that report that I got from Ken Weiss on that was prepared on 4/25. That would be the best piece of document I have. I don't know that there will be any way for us to tell whether the number you give us is right or wrong. I can't tell you that I would be able to tell that. You guys need to determine how much tax was collected and what two thirds of it was.

**LEGISLATOR GULDI:**

So what are you going to do about the overpayment? I understand that the media comments attributed to you were not accurate. What are you going to do about it?

**MR. HOLLANDER:**

Well, what's happened so far is that in the December payment, you guys have withheld a hundred and thirty thousand and in the May 1st payment, you held back a hundred and forty one thousand. So at present, we owe you one fifty nine, seven ninety-one based on the report as of 4/25/01.

**LEGISLATOR GULDI:**

And what are you going to do about that?

**MR. HOLLANDER:**

Well, that's what we have to decide to do. Because if we give you back the one fifty nine, seven ninety-one and have repaid you all the money that's in question, then it affects the campaign that we run in the season that we've already done it. So you know we're going to have to look to use membership money or go outside for additional monies, in order to be able to take care of the bills that were accumulated because of the advertising we did. We've also cut back on part of our budget, in order to take care of the problem; you know when we know what the number is going to be.

**LEGISLATOR GULDI:**

There haven't been any reductions in your salary, have there?

**MR. HOLLANDER:**

No but it's slowed up.

**LEGISLATOR GULDI:**

Well, the concern, the fundamental concern I have is that any action you take to finance any repayment obligation, how would you pay that? Your remarks, you just indicated you're not considering a finance option?

**MR. HOLLANDER:**

No that wouldn't be true.

**LEGISLATOR GULDI:**

How would you do that?

**MR. HOLLANDER:**

We've gone and talked to a couple of banks. One of our options would be is to go out and borrow the additional money from a bank and use that to take care of our receivables that will -- are payable that will increase. Then we would have the interest that we'd have to pay on it. And there's also the possibility that we would have conversations with the County, in that the State mandate on the room tax basically, according to the County Comptroller's audit report says that interest and penalties are supposed to go to organizations on the same split, two thirds, one third and presently the contract doesn't allow for that. So we would look to possibly change the contract to allow that interest to flow through and we would get two thirds of it and the Parks would get one third of it, which would give us both more money and that would help to offset the interest payment. But clearly, from our point of view, we got -- you know it was an overpayment by the County and we're just looking for a way mutually to figure out how to give it back.

**LEGISLATOR GULDI:**

I was amused by the whole line of questioning earlier in that the -- it struck me that some of my colleagues were on the verge of calling for an investigation of the Treasurer and the Comptroller over this. The concern I have though is that I would vehemently object to a finance charge being absorbed in any extent by future revenue on the room tax, since it would essentially be ultimately us applying tax per revenue to cover interest charges on what was an overpayment in the first place. It's at literally compound -- it adds compound interest to injury and I would go on record as vehemently opposing any technique that considered that as an option.

**MR. HOLLANDER:**

We have other options to be able to handle it.

**LEGISLATOR GULDI:**

What are those?

**MR. HOLLANDER:**

We can pay for it through our own membership monies depending on what the -- you know what the interest is and what it's at. But I think it's a conversation we have to have with you. I mean, I think that we have to get clear that, you know the bureau didn't cause the overpayment, somebody else did and we may have been recipients of the money but it wasn't our fault that we got it. But we're willing to work with you. We're not trying to say

we're not going to give it back or anything else. I mean, all this takes is sitting -- and in any of these issues including the advertising. All it really takes is just sitting down and talking about it. We're not opposed to changing it or working with you or anything else.

**LEGISLATOR GULDI:**

All right. No, I have one other line of questions that I want to take and I'll be brief with it. All right, I hear you what you're saying about this issue. But let me take this opportunity to open the door and say okay, I really think Michael, you should have brought up some of these issues in our other conversations. They seem like they're material. They're substitutive. You know my concerns on the issue. You know that I'm very concerned about where this tax is going and I'd like some accountability. In fact, that was what I was asking for back in December and I didn't feel I had it. This set of revelations compounds that feeling. What else do you have that I ought to know about that hasn't been disclosed and discussed in a public forum. This is your last chance to bring it up or to get out of jail free card because if you don't bring it up now, I'm really going to be adamantly opposed to continuing to do business with someone or I can't trust to disclose material information to him. So what else do you have?

**MR. HOLLANDER:**

Okay. As of right now, I don't know of anything else but I will do this for you. I'll take a week and I'll think about it to make sure there isn't anything even if it's -- minutia that I think I should talk with you. And I'll give you a call and I'll come visit you and if there's anything at all on the list that I think we should tell you, I'll tell you and then you can decide whether it's material for yourself.

**LEGISLATOR GULDI:**

Fine, thank you. I'll look forward to hearing from you.

**LEGISLATOR D'ANDRE:**

Thank you, Legislator Guldi. Let me get to the heart of this matter and we're beating the drums here. We're looking at these posters, which is something that a man that does advertising should know; it shouldn't be a new science. It's an old science. Just look at the cigarette ads and you know if you're right or wrong. They're the best in the country and they bring in a lot of money for the sponsors. So whoever is handling this should know how to advertise, should know if the wording is too small, should know if the figures are not telling the story. That's a science in itself and it's not that difficult. But to have good taste and get a banging ad, it takes a good organization of good companies. But Michael, in all the years I've been on earth, I know one thing. You don't buy a Cadillac; you don't buy a Jaguar. That's a red light. I don't care if you work for a dollar a year. You don't do that. Some people are just jealous because you have it. Some think there's something wrong; you're dipping into the till and so on and so forth.

With all of what I've heard here this morning, I'd like to see an audit by the Comptroller's Office to give us facts and figures where no one could lie to them, where they got to know what they're talking about and we get the positive answers. What you gave me Ken Weiss, I don't begin to understand, right? Joe Caputo is thorough. He'll do an audit as Budget Review knows and before we lay him in here, I'm not a financial broker of any kind, I'm a horticulturist. I'm a businessman. I know ads and I don't -- but ads like this is a science in itself. It's not a mystery. But my reading your mind is a mystery, really what you were told to satisfy you is a mystery. Is that person qualified? You just gave me an answer you might or might not want to hear. Well, let's get the Comptroller on this and do a thorough audit and get our facts and figures straight and then, I believe, I know you have many, many years. I believe you are a good businessman and you're an honest man. You can make a mistake. Let Budget Review find this out before we amateurs go and talk about this high finance and everything else. Who is that? Wait a minute, Carpenter I got here. Is she here?

**LEGISLATOR CRECCA:**

No, she had to leave Legislator D'Andre.

**LEGISLATOR D'ANDRE:**

You're up young lady.

**LEGISLATOR FIELDS:**

Thank you for the compliment of young lady.

**LEGISLATOR D'ANDRE:**

Beautiful too.

**LEGISLATOR FIELDS:**

Thank you again.

**LEGISLATOR D'ANDRE:**

You see how I'd do posters? I'd have you right on the front page.

**LEGISLATOR FIELDS:**

This has been very interesting today. But I believe from talking to a lot of people and from listening today, the only reason we are here today is because you have a Jaguar. I really truly believe that. And you know, I think, that when you're in the limelight and you make the amount of money that you make and this goes for the Legislature too, you are under a microscope and people judge you by different ways and there may be all kinds of agendas in the way that they judge you. But I think also part of the problem here is somebody is inept and it looks like it comes down to our County people who have been keeping these records. I don't know what we're going to get out of this today except that perhaps you think about the next lease that you make on your car and certainly, I'm not the judge of that but I just -- you know, just advice from someone.

And secondly, that maybe when you say that you're making advertisements and it seems clear that these tend to go more towards Suffolk County. But maybe that the Suffolk County part of it just is enlarged. And I think part of this is also when we talked to you the last time was that Nassau is not giving you the kind of money that Suffolk is, so we should be benefiting more than that or not equally. And I did hear today from the young lady that you are advertising for all of Long Island. And I think that probably is something that is upsetting to us as taxpayers and as representatives of those taxpayers that someone else is benefiting from really what we've giving. And you know that's almost like sibling rivalry, you know where it may even be in perception but really and truly, I think someone else is benefiting. So maybe enlarge the Suffolk County and make everybody feel better. And then, I guess again, maybe you could look back at your staff and ascertain exactly where these monies go, so that you're one step ahead of everyone and that this kind of thing doesn't come back to haunt you. Thank you.

**LEGISLATOR D'ANDRE:**

The young lady, who talked about Boston, is she here? When you ask me about Boston, I think of Martha's Vineyard. That's how that advertising works and they do a lot of advertising on Martha's Vineyard and all the big shots go up there and who's who in the country. So we'd like to think of Long Island the same way and Suffolk County is being part of that. Now we had to remove the taxes on clothing in Suffolk County, a big, big plus. They're sending cars into New York to bring the people out. It's lost in this. We need to incorporate that big asset that we're giving away tax money or we're eliminating the taxes on clothing. So when they think of Suffolk County, they also think of the fact, not only the vineyards but you can buy clothing up to a hundred and ten hundred dollars tax-free. Now the company should do it too. But I think it should be incorporated in this. I don't know about Hollander, what he thinks? But I'd like to see that. We went through great lengths to remove that tax and I think that it deserves a place in these ads to show people to shop here.

**MS. LOCKERBIE:**

You're talking about a specific additional attribute of Suffolk County. That isn't something that we have specifically focused on, which is the elimination of a clothing tax, which that is a legitimate thing to promote. But I just wanted to say one thing when I wanted to make

something clear. We are promoting the brand Long Island. The brand Long Island is Suffolk County. It's not -- those are not two different things. Nassau County happens also to be a part of Long Island but the majority of the attributes of the island that we promote under the brand Long Island are physically located in Suffolk County. So it's not -- I understand what you're saying and there's no reason why, you know, the name can't be bigger in the ads, I understand that. But Suffolk County benefits by being called Long Island. I mean that's the truth. Long Island has brand recognition and Suffolk County benefits by that name.

**CHAIRMAN ALDEN:**

I just have one other thing. Fred, in your report on page 12, up at the top? Could you -- that chart that you made? Could you tell me the relevance of those comparisons? And what type of comparison you were trying to make there?

**MR. POLLERT:**

What we were attempting to do because a private group was to show how remuneration related to County employees. We chose selected titles, as well as areas of responsibility. The intent would be that clearly if that they were in the County that the remuneration paid to the President of the LICVB would be out of alignment with other Department Heads.

**CHAIRMAN ALDEN:**

And that's because of people that they supervise?

**MR. POLLERT:**

Both in terms of a number of individuals that they supervise, as well as the total responsibility with the budget.

**CHAIRMAN ALDEN:**

Okay.

**LEGISLATOR TOWLE:**

Mr. Chairman?

**LEGISLATOR TOWLE:**

Legislator Towle.

**LEGISLATOR TOWLE:**

Yes, sure. Fred, can I ask you another question too? Just to get back to that? I did forget one thing, for the vehicles? What do we equate the value of a vehicle, let's say? Like Legislator Alden, I don't have a County car. I gave it back. But if I were to have a County car, what are we equating the value of a County car, the mileage, the gas, the insurance, the wear and tear, repairs, maintenance, etc., on the value of the vehicle to, let's say myself, if I were to take one?

**MR. POLLERT:**

You as a County elected official would be charged twenty-five cents per mile for the use of a County vehicle. That charge would be included on your W-2 form at the end of the year. So it would be your responsibility to record the number of business miles or total miles, excuse me, which drove within the vehicle the personal as well as the total mileage would be charged out at twenty five cents per mile, which would be added to your W-2 form and then you would be responsible to pay tax on that portion.

**LEGISLATOR TOWLE:**

What would it cost the County? What are we estimating the value of the vehicle as far as a year, maintenance, gas? Let's say I'm twenty one thousand miles? I think that was the number we heard earlier? What would that be equivalent to as a cost to the County for that car? Figuring twenty one thousand miles, twenty-five cents a mile. You obviously have a calculator there, which will make it a little easier than me doing it.

**MR. POLLERT:**

Assuming the twenty one thousand, hold on a second. That would be about eighty four thousand miles a year.

**LEGISLATOR TOWLE:**

Eighty four hundred dollars you mean?

**MR. POLLERT:**

No, if we -- which way did you want to go?

**LEGISLATOR TOWLE:**

Let's pretend I drove twenty one thousand miles for County use, which clearly, I drive more but it's my own vehicle.

**MR. POLLERT:**

Roughly five thousand two hundred and fifty dollars.

**LEGISLATOR TOWLE:**

So that's what we're saying the value of the car is to us, as far as what it would cost the County theoretically to operate the car maintenance, gas, insurance, etc.,

**MR. POLLERT:**

That's what the chargeback would be, right.

**LEGISLATOR TOWLE:**

That's what this chargeback would be to me?

**MR. POLLERT:**

That's correct.

**LEGISLATOR TOWLE:**

What is it actually costing the County a year to operate that vehicle? I guess that's the question I'm asking you? Well, let's take the Taurus, which is the car we have here unfortunately, George we're not -- I'm using the comparables of what we have. It's what we have as a vehicle.

**MR. POLLERT:**

It's extremely difficult to compare the specific cars. For instance, the bulk of legislative cars are nine year old Ford Taurus's. It cost us ten thousand, eight hundred dollars because we purchased them on a fleet purchase. Generally, the last time we had done a car report for the Legislature, the County cost was tracking very close to the IRS cost, which is currently higher than the twenty-five cents per mile.

**LEGISLATOR TOWLE:**

So what would that translate into a dollar amount?

**MR. POLLERT:**

It's approximately twenty five to thirty cents per mile for the use of the County vehicle including the purchase repair maintenance, insurance, all of those charges.

**LEGISLATOR TOWLE:**

Okay, so we're talking about six thousand dollars a year per car, is what it's costing us ballpark?

**MR. POLLERT:**

If they do twenty one thousand miles, that's correct.

**LEGISLATOR TOWLE:**

Okay. Far West and we providing the two hundred and fifty dollars a month to the



Convention and Tourism Bureau?

**MR. POLLERT:**

That's correct.

**LEGISLATOR TOWLE:**

I thought so.

**CHAIRMAN ALDEN:**

Any other questions? Mike, actually I want to thank you for coming down here. You've opened up some other avenues that have to be explored to see what did happen here. Because I mean, I don't think we're in disagreement as far as that there was an overpayment. We're going to have to establish somehow, you know to have that repaid in a fair manner, an equitable manner that you know really suits the needs of the Suffolk County taxpayers and Suffolk County residents. And I think that it really shows there's a need to change the way that either the oversight has been or you know like the way that we're giving input to you, as far as what we want done and so I thank you, I thank your staff and members of the board, right and outside agencies, the contract agencies. I even thank Legislator Crecca for his comments, even though he got mad at me. But I think that a lively debate like that actually shows that we're not sleeping up here. That people are concerned with it and we're actually -- we're not going to go to sleep; we're going to look at every aspect of it, as it affects not just the people of Suffolk County, their pocketbook. So again, thank you very much for coming down. I thank all the Legislators --

**MR. HOLLANDER:**

Mr. Chairman?

**CHAIRMAN ALDEN:**

Yes?

**MR. HOLLANDER:**

We appreciate it. We have a couple of people who live in Suffolk County and took off time today to come here and they just got a couple of minutes of something to say. Could we just? Is it possible to allow them just say what they have to say?

**CHAIRMAN ALDEN:**

Do I have cards on them?

**MR. HOLLANDER:**

Yes, you do.

**CHAIRMAN ALDEN:**

Yes, okay. So what I'll do is I'll just go right down the cards and we'll finish up the public portion.

**MR. HOLLANDER:**

And we thank you for giving us the opportunity to talk with you about it.

**CHAIRMAN ALDEN:**

Would you be willing to come back?

**MR. HOLLANDER:**

Yes.

**CHAIRMAN ALDEN:**

All right, good. Thanks, Mike.

**LEGISLATOR D'ANDRE:**

You're handling yourself very well, Michael.

**MR. HOLLANDER:**

Thank you.

**CHAIRMAN ALDEN:**

So did Frank D'Andrea, did he speak to us? Or he's one of the ones who wants to come up and talk, right? Frank D'Andrea.

**LEGISLATOR CRECCA:**

Actually come to the table.

**CHAIRMAN ALDEN:**

And I'm informed there's no relation to Legislator D'Andre.

**MR. D'ANDREA:**

Unless I'm part of a will that would be a -- it's an honor to be speaking to you this morning. In my capacity, my name is Frank D'Andrea. I'm Director of Hotel Sales at the Long Island Marriott Hotel and I'm here representing my position as Chairman of meetings and conventions, the sub-committee of the LICVB and also the five Marriott Hotels of Long Island. In my capacity as Chairperson of the LICVB Committee on meetings and conventions for the past eight years, I can assure this body, there's never been a greater sales and marketing business outreach and more positive public relations effort dedicated to tourism in this County and indeed Islandwide, then is presently employed at the LICVB.

Going back a decade ago, Long Island simply wasn't known as a place to bring medium to large corporate association business meetings. In fact, the two Counties were hardly known in a concerted tourism manner, safer the perceived exclusivity of the Hamptons and Montauk and a fair amount of traffic. It was hardly anyone's fault per se. The few major hotels didn't have the individual resources to market differently than they did, which was to mostly the Tri-State metro area for corporate meeting planners. Many attractions lived primarily off Long Islanders to survive. And then the late '80's and early '90's, economic downturn was a much-needed wakeup call for all of us. Clearly, we needed to work together. Government business and a competent well resource intermediary was required to implement a professional sales and marketing strategy to bring both, what we call group business and leisure travelers to Long Island like never before. Working together to promote Long Island as one whole destination is critical to each County's business success. The kind of programming that our committees have undertaken, yielding great opportunities have consisted of over two dozen trade shows, both regional and national, to numerous hosted events ranging from the most recently, our Albany lunch. In presenting our picture of Long Island, the nearly fifty New York State Corporate and Association Meeting Planners with a taste of Long Island, both culinary and venue potential. And this past March, a most successful travel expo where we hosted over fifty tour and travel group leaders at our brand new Sports and Convention Complex at Suffolk Community College at Brentwood.

In closing, I wish to strongly re-emphasize the importance of a total Long Island sales and marketing effort and my business, make no mistake about it, our competition is fierce. However, we clearly see the value in working in a collective way to entice business to come to either County and leave its dollars on Long Island. As hotelier, we recognize that a large group hosted in one area, let's say Western Suffolk County, while my hotel would have initially competed for it, as I said fiercely, from that booking, we will now build our sales strategy in Nassau County based on what we call compression. To business in Suffolk, that's terrific. We know that business is there. We'll start putting a sales strategy together to assimilate our business and acquire business that would easily go to Suffolk or Nassau County and we're ready to book the difference of that business. So it's always good news when Suffolk County gets business for Nassau County and it should be vice versa and for the last five to six years with our marketing efforts that's certainly has taken place.

One of the key things that we found in the last five years working in meetings and conventions with competitive hotels under the marketing efforts of the LICVB is we've learned to play nice in the sandbox and we hope this continues. And we've appreciated the

support that Suffolk County has given us financially to support the LICVB, as you've done a splendid job of that and I thank you very much for your time.

**CHAIRMAN ALDEN:**

Thank you for your comments. Okay, Barbara Caligiure.

**MS. CALIGIURE:**

I spoke.

**CHAIRMAN ALDEN:**

You spoke. That's good. Okay. Gloria Rocchio.

**MS. ROCCHIO:**

I spoke already.

**CHAIRMAN ALDEN:**

Good. William Mullaney, Jr.

**MR. MULLANEY:**

On? Okay. I'm the General Manager of the Hampton and the Commack. I've been involved in hotels on the island for sixteen years. I'm the past President of the Long Island Hotel and Lodging Association. I'm a member of the Board of the CVB. Most of what I wanted to talk about has been mentioned. I will make a few points. The room tax. The hotel industry realized the need for more funds to the CVB several years ago. We lobbied for this tax. We wanted this tax. This is a tax on our industry. It's not paid for by Suffolk County. It's not paid for by Suffolk County residents. It's paid for by visitors to the hotels. So when you say it's got to be repaid by the taxpayers that's not true.

**CHAIRMAN ALDEN:**

I'm going to correct right there. Because when an overpayment is made, the overpayment came from general funds, as we heard testimony and that comes from general taxpayers dollars. So we actually have to approve the tax. We're the ones; we're the body that says yes or no to the tax. So we levied that tax. So with that correction made, go ahead.

**MR. MULLANEY:**

We pay the tax. The hotel --

**CHAIRMAN ALDEN:**

No, no, excuse me. Some of that money came from general fund. So I'm not going to argue with you. Go ahead. If you want to make that statement, fine.

**MR. MULLANEY:**

Whatever, okay. You make issues of a car allowance and a salary. Michael comes with a varied background that is very tourism related. We knew that when searched for a President, we needed somebody with that sort of background. Being from the hotel industry, we also know what kind of compensation, in order to track somebody like that would take. We were very confident in what we were paying Michael. We still are. We feel it's a very fair salary for the job he's doing. He's doing a very good job. You make an issue of the car. Myself and almost every other GM on the island has a car allowance. What we do with that car allowance is our business. You know if we choose to drive a Jaguar, if we choose to drive a Ford Escort that's our business. It's just -- it's part of our package. And with the issue of the overpayment, it's been treated as a separate line item, since the day we got it. The board has asked about it and we're satisfied with the response that Michael has gotten from Suffolk County. Granted you're going to look into it a little further and we're fine with that. But you know it's been treated as a separate line item since day one. That's all.

**CHAIRMAN ALDEN:**

Thank you for your comments. Actually, I have to go through the cards first. So if your card is here, then I'll get to you. So that's was Bill Mullaney, right? Thank you. All right, last name is Lockerbie.

**MR. HOLLANDER:**

Kim already spoke.

**CHAIRMAN ALDEN:**

Kim spoke. That's Kim okay, good. Robert Sighinolfi, you didn't speak yet?

**MR. SIGHINOLFI:**

I haven't.

**CHAIRMAN ALDEN:**

Okay.

**MR. SIGHOLFI:**

Hello, my name is Robert Sighinolfi. Is this on? Can you hear me?

**CHAIRMAN ALDEN:**

Yes.

**MR. SIGHINOLFI:**

I'm the President of the Long Island Hotel and Lodging Association and their spokesperson. Many people have forgotten that ten years ago, the hotel industry was at an all time low. The annual occupancy in most hotels was less than 65 percent. Most attractions were barely surviving. It was because of the conditions of the hotel industry that led to the Long Island Hotel and Lodging Association to join forces with the Long Island Convention and Visitor's Bureau and initiate its self imposed room tax.

The occupancy tax revenue that we presently receive was requested to assist in the marketing of Long Island as a destination. It was at the request of the Hotel Association and the Tourism Industry that the Long Island Convention and Visitor's Bureau be the recipient of this occupancy tax. One third of the tax goes to the benefit of the parks and the cultural affairs and the remainder is to promote Long Island as a total destination for business and pleasure. We needed to increase our exposure to the public, in order to combat the barrage of advertising from neighboring destinations for tourism dollars. We believe the Long Island Visitor's and Convention Bureau had the most expertise in turning around the situation. They understand our business and would be directed by a board who knew what their needs would be.

I serve on the Executive Committee and the Compensation Committee of the Long Island Convention and Visitor's Bureau and feel very comfortable with the salary and benefits package offered to the President of the Long Island Visitor's Convention Bureau to be competitive. We must offer a compensation package that will attract the best in the field of hospitality and tourism. The most qualified and experienced candidates for this position come from the hotel industry where salaries and benefit packages are very lucrative.

The Long Island Convention and Visitor's Bureau is a highly charged sales and marketing organization that has shown its value to the community and all special events and attractions that have taken place on Long Island. To name a few, the Good Will Games, the Special Olympics, Several Golf Tournaments, the Tennis Tournaments, the Hamlet Cup, the NCAA Tournaments and many conventions and fam trips to tour operators from all over the east coast. Certainly with last year's 46 days of rain, we could have forecasted a greater decrease in occupancy the one and a half to one percent, if not for the marketing of the bureau that made that possible with the three-quarter occupancy tax. Thank you for your time.

**CHAIRMAN ALDEN:**

Thank you. Okay that's Robert, right? Cheryl Rice.

**MR. HOLLANDER:**

She left already.

**CHAIRMAN ALDEN:**

Oh, okay. But that's all the cards on -- you know, who wanted to speak on this issue. If you're from a newspaper and you want to do an interview or something like that, we can do that with any of the Legislators. You can do that off the record but traditionally and I don't think that's in our Charter to actually give mass type of interviews.

**LEGISLATOR GULDI:**

I'd like to hear what his questions are. I would certainly ask him to --

**CHAIRMAN ALDEN:**

Legislator Guldi.

**LEGISLATOR GULDI:**

Put his questions on the record. If people want to answer them that would be up to them. But I want to know what the questions are and if he'd like to put them on the record, I'd like to invite him to do so.

**CHAIRMAN ALDEN:**

Come on up and sit down at this mike right over here. You've got three minutes or less.

**MR. MACUS:**

This is not usually journalistic procedure; I just had a couple of questions that will help me in writing my article. As you know, I'd like to get as accurate a report as possible.

**LEGISLATOR GULDI:**

I have to ask you questions too but you don't have to necessarily answer them.

**CHAIRMAN ALDEN:**

Just state your name for the record and what --

**MR. MARCUS:**

Durard Marcus. I'm a reporter and editor for Long Island Business News covering government and the travel industry among other things. The hotel, motel, occupancy tax is a three-quarters of one-percent tax on top of a hotel room bill?

**CHAIRMAN ALDEN:**

Right.

**MR. MARCUS:**

Okay. So if a hotel bill is a hundred dollars, it's seventy-five cents in addition?

**CHAIRMAN ALDEN:**

It is.

**MR. MARCUS:**

Okay, for overnight accommodations. It's taxed on to the bill, correct? It's not paid out of the income of the hotel but it's tacked on the same way as sales tax is tacked on?

**CHAIRMAN ALDEN:**

It's a tax. It's added on to the bill. It's paid for by the consumer.

**MR. MARCUS:**

Okay, okay. So if the person staying at the hotel is from out of town, then it's not really or is it a tax on Suffolk County residents?

**CHAIRMAN ALDEN:**

If they're not a Suffolk County resident?

**MR. MARCUS:**

Right.

**CHAIRMAN ALDEN:**

Then it's not a tax on a Suffolk County resident.

**MR. MARCUS:**

Now, who are the majority of the people staying at Suffolk County Hotels? Are they Suffolk County residents or are they people from out of Town or out of State?

**CHAIRMAN ALDEN:**

Personally, I don't have the information that you just requested.

**MR. HOLLANDER:**

Based on a report that we would get from D. K. Shiflit and a couple of other marketing firms, most of our customers who would be staying in the hotels are off Long Island.

**MR. MARCUS:**

So in fact, it's not Suffolk County taxpayers that are paying the tax. Then it's out of State residents. In fact, there might be some Nassau County taxpayers who are staying overnight in the Hamptons that are actually paying that tax.

**MR. HOLLANDER:**

Correct.

**MR. MARCUS:**

Okay that's all I wanted to make sure about.

**CHAIRMAN ALDEN:**

Good. Thank you very much. Now, Legislator Guldi mentioned that he might want to ask --

**LEGISLATOR CRECCA:**

You can ask him a question, George.

**LEGISLATOR GULDI:**

Yes, I know but nah.

**CHAIRMAN ALDEN:**

Okay, Legislator Fields, Crecca, okay. Thank you very much. We actually have two more cards Kay Erwood. Okay and Susan Zaccheo. Did she leave too? Okay. That ends the public portion of this. We're just going to go to the resolutions, which we should be able to go through fairly quickly. Okay, we've got tabled resolution 1358. That's a Local Law to ban discriminatory pricing. I'm going to make a motion to table, seconded by Legislator Crecca. All those in favor? Opposed? Abstained. That's tabled.

**TABLED RESOLUTIONS:**

**I.R. NO. 1358-01 (P) Adopting Local Law No. 2001, A Local Law to ban discriminatory zone pricing of gasoline in Suffolk County. ASSIGNED TO CONSUMER PROTECTION & GOVERNMENT OPERATIONS (Legislator Cameron Alden)**

**VOTE: 4-0-0-1 TABLED**

**CHAIRMAN ALDEN:**

Introductory resolutions 1443 to establish RFP Policy for securing grants for Office of Consumer Affairs. Is there a motion?

**LEGISLATOR TOWLE:**

Motion to table.



**CHAIRMAN ALDEN:**

Motion to table by Legislator Towle, second by Legislator Crecca. All those in favor? Opposed?

**INTRODUCTORY RESOLUTIONS:**

**I.R. NO. 1443-01 (P) To establish RFP Policy for securing grants for Office of Consumer Affairs. ASSIGNED TO CONSUMER PROTECTION & GOVERNMENT OPERATIONS (Legislator Ginny Fields)**

**VOTE: 4-0-0-1 TABLED**

**CHAIRMAN ALDEN:**

And then the rest of our agenda is tabled subject to call. A motion by Legislator Crecca, second by Legislator D'Andre to adjourn. All those in favor? Opposed? We stand adjourned. Thank you.

***(The meeting was adjourned at 12:15 P.M.)***

{ } Denotes spelled phonetically